FINANCIAL TIMES

No. 27,675 Friday September 29 1978 15p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.0; GERMANY DM 2.0; ITALY L 500; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Pta 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

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NEWS SUMMARY

GENERAL

ars of rther ideast ashes

at Hafez Assad of Syria ly cut short a tour of ative Arab states to re- Damascus as the fighting anon reached its worst ince the Camp David were announced.

ad been conferring with er of Kuwait in the third a tour aimed at gather- ipport against Egypt's nt Sadat, writes Anthony nott.

stated reason for his eturn was an official to East Germany on r 1 but it was believed in us that the deteriorating on in Lebanon was the use.

rut battles

eirut, artillery exchanges n Syrian troops in the Peacekeeping Force and ing Christian militiamen large parts of the an eastern part of the into a battle zone.

heavier fighting repeats in Lebanon after Egypt ded its second Sinai disen- ent agreement with in September 1974. The ns it caused then in the world were transferred to on and led to the civil war. dangerous difference this is that Syria has about troops on the spot and support the Christians— e the possibility of a direct which could undermine the David accords. Israel pre- for talks with Egypt. Back other Middle East news, 4

ssacre charge

nl Manning Brophy was ed last night with the er of 12 people who died he La Mon restaurant tcre in Belfast in February. will appear in court at st next Friday.

e deaths

elderly people, a man and omen, died when fire swept gh Hazelville Nursing in Hove, Sussex. Six people were taken to tal.

lony query

e Minister Ian Smith has ruled out the possibility hodesia returning to British But he said his Govern- had not given it any con- ation and no such suggestion been received from Britain.

ison outbreak

nonella food poisoning has led 24 patients and staff at tford General Hospital, x, and there are another 30 ected cases.

,600 stamp

unused 1840 penny black sold for £3,600 — £2,100 e than expected — at a ley Gibbons stamp auction room. Page 8

crets judge

Justice Mars Jones will pre- over the official secrets trial n it restarts at the Old Bailey Tuesday.

xi formula

Price Commission has put vard a formula for calculating eases in taxicab charges as t of its investigation into the and private car hire trade. e 8

iefly . . .

swan population of the River nt faces extinction, the PCA warned yesterday.

impagne production is down half this year because of cold ing weather. Prices will rise 10 to 30 per cent, champagne ders say.

French butcher has gone on nger strike outside his tax pector's house in Toulouse to test against an order to pay k taxes.

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BUSINESS

Equities down 4.8; Gilts better

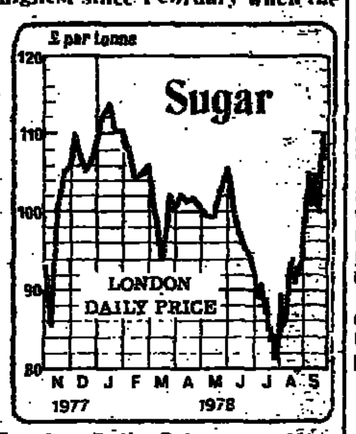
● EQUITIES were dull in a market undermined by fears of labour troubles and the FT ordinary share index fell 4.8 to 501.2.

● GILTS recovered on bear covering among shorts, and the Government Securities index closed 0.05 up at 70.02.

● STERLING rose 25 points to $1.9730 and its trade-weighted index closed at 62.7 (62.6). The dollar's depreciation narrowed to 9.1 per cent (9.3).

● Gold rose $2 to $217⅞ in London, and in New York the October Comex settlement price fell to $218.10 ($219).

● SUGAR prices rose to their highest since February when the



London Daily Price rose £3 to £110 a tonne, making a rise of £7 over the week.

● WALL STREET closed 1.12 up at 861.31 in slow trading.

● U.S. MONEY supply M1 rose to $361.2bn from $360.4bn, while the more broadly defined M2 rose to $862.8bn from $861.6bn.

● IMF managing director, at the end of the annual meeting between the IMF and the World Bank, has claimed that imbalances in the world economy are on the way to being cured. Back Page

● UK and France have worked out a possible deal for British participation in the European Airbus consortium, but the package, which could involve Britain in greater financial contribution, has still to be approved by the UK Government.

● LIABILITY claims from the San Diego aircraft disaster are likely to be about $40m, according to first official estimates. Page 8

● AMAX EXPLORATION is to undertake a £1.5m testing programme to assess prospects of reopening a tungsten and tin mine near Plymouth. Page 8.

● EUROPEAN FERRIES has decided not to place a £50m order for cross-Channel ferries in Britain. Instead the ferries will probably be built in a Continental yard. Back Page

● EVIDENCE has emerged that some companies are rejecting Government aid rather than sign that they are abiding by the pay guidelines when applying for job subsidies. Page 10

COMPANIES

Dunlop profits £10m down

● DUNLOP'S pre-tax profits for the first half of 1978 fell by £10m to £22m from £32m. Losses were recorded from the British, Irish and German tyre companies, because of over capacity in the tyre industry and cheap East European imports. Page 24 and Lex

● ALEXANDER HOWDEN Group reports pre-tax profits up from £10.35m to £11.5m in the first half of 1978. Page 25 and Lex

● C. T. BOWRING pre-tax profit advanced 27 per cent from £14.95m to £19.07m. Page 24 and Lex

● GEORGE WIMPEY first-half pre-tax profits slipped £3m to £14.5m. Page 25

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...mbergers	86	+ 5
...wring (C. T.)	123	+ 6
...fford (C.)	126	+ 6
...ford and Snell	33	+ 3
...ntleigh	174	+ 14
...hopsgate Plat.	89	+ 4
...stenburg	89	+ 4
...uthern Kinta	215	+ 15
...ngei Besi	205	+ 10

FALLS

...V	238	− 7
...erdeen Const.	93	− 8
...mber Day	42	− 4
...isc. Book Pub.	245	− 8
...C Intnl.	72	− 3
...own (J.)	442	− 6
...mpari B	116	− 13
...stain (R.)	244	− 12
Dowty	271	− 7
Fairclough Const.	68	− 4
GKN	274	− 5
HTV N/V	128	− 6
Hambro Life	373	− 7
Hunt and Moscrop	26	− 3½
Legal and General	146	− 8
Metal Box	350	− 8
Rothschild	209	− 9
Rowntree Mackintosh	397	− 13
Sime Darby	105	− 7
Taylor Woodrow	428	− 20
Turner and Newall	178	− 5
Union Discount	300	− 8
Vickers	188	− 6
Whatman Rve. Angel	265	− 25
Wimpey (G.)	87	− 9
Guthrie	333	− 14
Kinross	345	− 24
Kloof	375	− 17
MIM Hldgs.	201	− 5
RTZ	242	− 4
Selection Trust	474	− 14

Government agrees Peugeot takeover of Chrysler UK

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

The last significant hurdle in Peugeot's bid to create the largest motor group in Europe was cleared yesterday when the British Government gave its approval to the French company's takeover of Chrysler UK.

Following this announcement, it now seems that PSA Peugeot-Citroen, the French holding company, can complete its $430m acquisition of the whole of Chrysler Corporation's European interests by the end of the year.

The deal still has to be approved by the French Government and the company's shareholders, but this is not expected to cause any difficulties.

A Declaration of Intent signed with the British Government yesterday, underlines again Peugeot's intention of trying to maintain and build upon the present organisation of Chrysler Europe.

This means that the French group will emerge as the largest car producer in Europe, with a current output of 2.3m units a year and with the largest market share in the region — almost 18 per cent, against Ford's 13 per cent last year.

The deal will also give Peugeot a link in the U.S., via Chrysler, which is acquiring 15 per cent in the French group's equity as part-payment for its European operations.

This is expected to lead in due course to technical links between the two companies and to the possibility of Peugeot distributing its cars through Chrysler in the U.S.

The British Government's attitude to this radical re-organisation of the European industry has been the most important stumbling block faced by the French group because of the complex series of loans and grants which were given to Chrysler UK under the 1976 rescue agreement. The status of these agreements has had to be renegotiated.

At the same time, the British Government has had to take note of the potential new element of competition which could be created by the reorganised group.

This could clearly cause problems to BL, the State-owned company which, only this year, received £400m. worth of new equity finance.

The British Government appears to have taken the view that it has had little option but to accept the deal.

Alternatives, such as the purchase of Chrysler UK by BL or the National Enterprise Board, were rejected.

The Government has also accepted that it could not make the agreement with Peugeot legally binding. Despite some dissatisfaction over the fact that Chrysler, the only company in the UK to have signed a planning agreement, concluded its deal with the French Government without telling the Government, there is nothing in the new arrangements to prevent the same thing happening again.

Indeed, in one sense, the revised Declaration of Intent is slightly weaker than the original.

In the paragraph which underlines Peugeot's commitment to continued employment at Chrysler UK facilities at Ryton, Stoke, Luton, Dunstable and Linwood, it says that this shall be "to the extent consistent with prevailing economic conditions."

This clearly leaves the way open for Peugeot to close any of the U.K. plants in certain circumstances.

The agreement confirms that Peugeot will take on all of Chrysler Corporation's present obligations to the UK company and to the Government, in terms of the repayment of loans.

At the same time, the Government will continue with its support programme for the British company, which is due to run out at the end of 1979, and which gives a maximum current ex-

Continued on Back Page

Peugeot's options, Page 22

Union calls for sanctions against low payers

BY CHRISTIAN TYLER, LABOUR EDITOR

EMPLOYERS WHO pay less than £44.50 a week — the figure quoted in the incomes policy White Paper — should be penalised as much as those who break the 5 per cent limit, Mr. David Basnett, general secretary of the General and Municipal Workers' Union said yesterday.

His call for sanctions to help the low paid was the preface to a union campaign to force recognition of the Wages Council award for 700,000 hotel and restaurant staff.

Although all council awards are exempt from pay policy, Mr. Basnett's use of the White Paper as justification for bigger increases can be seen as the first union attempt to secure a minimum earnings level as of right.

The White Paper says that increases of more than 5 per cent can be given to individual workers to bring them up to £44.50 earnings for a normal working week.

It comes at a time when the 5 per cent limit is under considerable pressure not only from the shop floor but also from the TUC and from Labour Party left-wingers. They are expected to combine in an attack on the Government's inflexible line on wage curbs at the Labour Party Conference at Blackpool next week.

The leak yesterday of a high-level confidential document telling department officials how to interpret and apply the wage policy will add further fuel to the flames.

It confirms how strict the Government intends to be and also that, in many cases, it will require settlements of less than 5 per cent.

Mr. Tom Boardman, president of the Association of British

Other labour news, Page 10

Cabinet face conference defeat, Back Page

Chambers of Commerce, yesterday wrote to Mr. Albert Booth, Employment Secretary, protesting that the guidance in the document was being made available to department officials but not to those who had to conduct negotiations.

The document was described as "obnoxious and odious" by Mr. Michael Grylls, Conservative MP for North West Surrey and vice-chairman of the party's industry committee. He called on Mr. Denis Healey, the Chancellor, to make a full public statement about the document. "Apparently Britain now is governed not by rule of law, but by secret instructions issued and administered by the Cabinet committee on pay policy," he said.

TUC leaders are already seeking an early meeting with ministers to impress on them the dangers they foresee in the Government's tactics.

Mr. Basnett said yesterday that to apply sanctions against employers who breach the limit was "a wrong and foolish policy."

He added: "But if it is going to go along the sanctions path at least let it show its concern for those who earn less than the Government thinks they ought to earn as well as for those who earn more."

In effect, the GMWU, which claims 25,000 members in the industry, is trying to turn a 17 to 19 per cent award by the Wages Council into a 30 per cent increase. To support its campaign, it is approaching Mr. Albert Booth, Employment Secretary, notifying its own sponsored MPs and sending unions a "white list" of hotels and restaurants of which it approves.

Unless there is a change, the 700,000 workers will, from October 6, be entitled to a minimum of £33.20 outside London, and £35.40 in London, with a few hotels paying more than £44.

Strike threat by BOC workers

BY NICK GARNETT, LABOUR STAFF

MANUAL workers at British Oxygen Company's gas division would take immediate strike action if the group made a pay offer no better than Ford, their union warned yesterday.

The warning came from Mr. John Miller, the Transport and General Workers' Union national secretary for chemicals. He said it would be difficult to prevent such a sharp reaction.

The company is due to reply early next month to the workers' claim for substantial rises, improved fringe benefits and moves towards a shorter week.

Last year the division's 3,000 drivers and industrial gas cylinder handlers mounted the first major assault on Phase Three with a four-week strike which led to an estimated 30,000 lay offs throughout industry. The unions settled within pay guidelines, but with a productivity deal worth more than 10 per cent.

The Transport workers are the biggest union involved in the Ford dispute. Mr. Moss Evans, general secretary, has insisted that unions must have flexibility to settle above the Government's 5 per cent pay guidelines in some cases.

Senior union officials at BOC said yesterday there was a growing suspicion among the manual worker that the company's customers were over ordering, possibly with company aquiescence, in preparation for a dispute.

Although some shop stewards privately doubt if the present productivity scheme can be improved, the company is thought to be preparing a new productivity offer, and has been studying the possibility of shorter working hours. It is anxious to avoid the kind of highly damaging dispute that occurred last year.

Local union officials said yesterday that they would be interested in any significant productivity offer the company made.

Lucas to fight for Ducellier control

By Kenneth Gooding in London and Robert Mauthner in Paris

LUCAS INDUSTRIES, the UK car components group, last night said it had started legal proceedings in connection with its battle to take control of Ducellier, the French electronic components concern.

Earlier yesterday it was announced in Paris that Ferodo of France had acquired effective control of Ducellier, although details were vague.

Lucas already has a 49 per cent stake in Ducellier and the other 51 per cent was controlled by DBA, the French subsidiary of the Bendix group of the U.S.

Since January, Lucas has been attempting to obtain the approval of the French authorities for its $26m bid to buy the DBA interest.

But the French Government, anxious to build up a French-controlled components industry which could compete with the two major European forces in the field, Lucas and Bosch, of West Germany — refused to authorise the deal while actively supporting the search for a "French solution."

In the UK Lucas said: "In the light of the legal proceedings which Lucas has instituted regarding the reported transaction between DBA and Ferodo, Lucas would prefer to refrain from comment for the time being."

After the announcement last month that Peugeot would buy out Chrysler's operations in the UK, Lucas tried hard to persuade the British Government to make its approval of the Peugeot deal conditional on French authorisation for the Lucas bid for Ducellier.

The matter was subsequently raised by British officials in the Anglo-French industrial committee set up after the summit meeting between President Giscard d'Estaing and Mr. James Callaghan last December.

There was speculation in Paris yesterday that the British Government had agreed to abandon its lobbying on behalf of Lucas in return for French concessions in the negotiations on the UK's proposed entry into the European Airbus consortium.

The terms of the deal under which Ferodo says it will acquire effective control of Ducellier, which last year made a net profit of FFr 28m (£3.3m) on sales of FFr 800m (£93m), thus raising into the top three of the European car components league, remain extremely vague.

No price has been announced and a communique issued by SEV merely stated thta Ferodo had bought a majority interest in what was described as an "association" with DBA which particularly concerned Ducellier.

A French solution, Page 29

Tough line by Botha expected

BY QUENTIN PEEL CAPE TOWN, Sept. 28.

MR. P. W. BOTHA, South Africa's tough Defence Minister, was elected Prime Minister today in succession to Mr. John Vorster, an appointment likely to lead to a more hostile South African attitude towards negotiations with the international community.

Mr. Botha emerged victor from a closely-fought three-way battle for the leadership of the ruling National Party at a meeting of the party caucus in Cape Town. His opponents were Dr. Connie Mulder, Minister of Plural Relations (African Affairs) and Mr. R. F. "Pik" Botha, the Foreign Minister.

The new Premier immediately pledged himself to continue Mr. Vorster's policies, and named orderly government and maintenance of law and order as prime objectives of his administration. He is to retain the Defence portfolio.

He is unlikely to change the Government's internal policy of separate racial development, combined with moves to reduce petty discrimination, but his appointment could have a marked impact on international relations.

Mr. Botha has consistently opposed Pretoria's negotiations with the five Western Powers for an internationally-approved settlement in Namibia. His views were apparently accepted by the Cabinet last week when it rejected UN settlement terms and unilaterally gave the go-ahead for elections in the territory.

He ruled out today any change of direction on Namibia, though he did add that "the door is always open for further discussions."

The position adopted by Mr. Botha on both Rhodesia and Namibia will be of major international importance and some diplomats here are concerned about his reputation for impetuosity.

Although he might be expected to be particularly sympathetic toward Rhodesia, this is not

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Politics Today, Page 23

thought likely to precipitate more direct South African intervention in Rhodesia.

It took two votes in the caucus —made up of Nationalist MPs and Senators—before Mr. Botha emerged the winner. In a first ballot he was only just ahead of Dr. Mulder, by 78 votes to 72, while Mr. Pik Botha won only 22 votes and dropped out of the race. In the second round Mr. P. W. Botha won 98 votes to Dr. Mulder's 74.

The caucus meeting lasted for almost two hours, after a relatively straightforward preliminary meeting at which it was unanimously decided to nominate Mr. Vorster as party candidate for State President. The election for that position, which is almost entirely ceremonial, is at a meeting of both Chambers of Parliament here tomorrow.

Mr. Botha greeted his victory with a typically forthright speech stressing "patriotism and duty" as the South African response to a hostile outside world.

Parliament to debate Bingham report

BY RUBERT CORNWELL, LOBBY STAFF

PARLIAMENT WILL hold a full-scale two-day debate at the start of the new session early in November on the Bingham Report and the whole question of Government knowledge of breaches of sanctions against Rhodesia since 1965.

Parallel debates will be held in the Commons and the Lords, placing a virtually inescapable onus on senior politicians in office during the period to explain what they knew. They include Mr. Michael Stewart, former Labour Foreign Secretary, Mr. Edward Heath, and above all his predecessor as Prime Minister, Sir Harold Wilson.

These debates will in all probability be followed by a further inquiry into the sanctions issue. But the Government will not make up its mind precisely what form this should take until MPs have made their collective feelings plain.

The decision to hold a parliamentary debate was taken by the Cabinet yesterday as it settled details of the legislative programme for the forthcoming session. The State Opening of Parliament will be on November 1, just eight days after MPs reassemble briefly at Westminster

Continued on Back Page

£ in New York

...	Sept. 28	Previous
Spot	$1.9745-9755	$1.9755-9765
1 month	0.57-0.50 dis	0.69-0.65 dis
3 months	1.63-1.53 dis	1.70-1.64 dis
12 months	5.66-5.46 dis	5.68-5.50 dis

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FEATURES

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EUROPEAN NEWS

American executives quitting Europe

NEW YORK, Sept. 28.

THE ROLE of U.S. executives in European business operations is declining, as many Americans leave their overseas posts because of the dollar's falling purchasing power.

With the Americans gone, Europeans are filling many of the vacant positions and expanding their influence in European corporate management.

This is the opinion at Egon Zehnder International, a leading executive recruitment agency whose executive committee is meeting in New York.

An increasing number of U.S. executives began relinquishing their foreign posts about five years ago, but the movement has accelerated because of the depreciating U.S. currency, according to Mr. Victor Loewenstein, the partner in charge of Zehnder International's offices in Brussels and Madrid.

On a dollar-based salary, Mr. Loewenstein said, American executives working for either U.S. or foreign companies in Europe find it difficult to afford the lifestyle to which they were accustomed in the U.S. while companies provide their top officials with a variety of fringe benefits, in most cases these do not compensate managers for the dollar's big depreciation.

By replacing their U.S. executives with nationals or businessmen from other European nations, he added, U.S. companies have lessened their costs because Europeans do not require the fringe benefits demanded by U.S. executives, such as tax equalisation, housing expenses and children's education.

Mr. Loewenstein does not expect companies to replace Europeans with Americans if the dollar strengthens, making it more attractive for U.S. executives to work abroad. However, if U.S. investment in Europe surges in the next few years, he said, U.S. companies would be more inclined to have an American executive manage the initial operations.

In spite of this trend, some of the most attractive opportunities for U.S. executives are with foreign companies in the U.S., says Mr. George Craighead, partner in charge of Zehnder's New York office.

Foreign companies have increased their U.S. investments over the past few years and, to compete effectively in the U.S. market, they are relying on U.S. experience.

Indeed, foreign buying of U.S. companies rose by 20 per cent in the first half of this year, according to W. T. Grimm, a Chicago-based consulting concern specialising in corporate buying and selling. W. T. Grimm said there were 95 foreign-buying transactions in the period, up from 79 in the first half of 1977. The 63 transactions for which purchase prices were available totalled $3.1bn, compared with 41 purchases totalling $1.2bn a year earlier.

With such stakes in the U.S., said Mr. Craighead, European companise have tripled their U.S. recruitment over the past two years. "Not many Europeans have the experience and knowledge to work in the U.S. market, so American managers appear more attractive," he said.

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Financial Times, published daily except Sundays and holidays. U.S. subscriptions $205.00 (air freight) $365.00 (air mail) per annum. Second class postage paid at New York, N.Y.

East European debts to the West 'may have to be rescheduled'

BY DAVID BUCHAN

WASHINGTON, Sept. 28.

DEBTS BY Eastern European countries to Western Governments and banks may have to be rescheduled and early consultations should be held within the Organisation for Economic Co-operation and Development (OECD) on the problem.

This is a key conclusion from a study prepared for the Brookings Institution by a number of U.S., West European and Japanese economists and released here today. The rapid growth in exports to East Europe and the Soviet Union in the 1970s has been financed disproportionately by public and private credits, so that the Eastern bloc's net debt to the West now stands at $50bn, two-thirds of which is owed to private commercial banks.

Even if future credit grows less slowly than it did between 1974 and 1977, the Brookings study argues, there is a good case for debt repayments by Poland, Bulgaria and other East European countries being rescheduled. The maturity dates on their loans are particularly badly bunched in 1979-80 because of the number of five-year credits granted them in the mid-1970s.

"Eastern Europe's ability to service debt to the West is subject to considerable uncertainty," the report says. "Ratios of debt service to hard currency earnings are high by the standards usually applied and it is doubtful that the Soviet Union, even if it could, would be willing to take over the payment problems of its neighbours."

The study argues that the OECD is the right forum for those Western countries "whose financial institutions stand in some sense, at risk" to swap information and co-ordinate their approach to the rescheduling problem. Rescheduling, long applied to a number of developing countries, presents a novel problem with the centrally-planned economies of Eastern Europe. For one thing, none of the East European countries, except Romania, are members of the International Monetary Fund (IMF) which frequently lays the groundwork for a rescheduling of developing country debts by tying its own financial aid to the acceptance of "stabilisation" plans.

The study also comments that, if the failure of Western governments and banks to stick to a common export credit line for the Comecon countries is anything to go by, any common approach to a future debt crisis in Eastern Europe will not be easy to achieve.

In general, the study notes that Comecon countries have a higher ratio of net debts to exports (1.6) than some 84 developing countries (1.1). It says that Poland and Bulgaria are in the worst position, but that Romania, Hungary, and East Germany might be similarly judged to be overextended."

The Soviet Union, on the other hand is the most creditworthy, with a relatively low debt service ratio, and gold, oil, natural gas and arms to sell for hard currency. Indeed it may be these strengths and the assumption on the part of Western officials and bankers that Moscow would always, in the last resort, step in to bail out any of its fellow Comecon members, that has buoyed up the credit rating of Eastern Europe in general.

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Vienna arms talks resume

By Paul Lendvai

VIENNA, Sept. 2[8]

THE EAST-WEST 19-na[tion] mutual and balanced force [re]duction (MBFR) talks [re]sumed here today after two month summer re[cess] with an appeal by Cze[cho]slovakia's chief delegate [Am]bassador Emil Keblusek [to] move from talks to pract[ical] decisions and to agree on [a] framework for a future ag[ree]ment.

But Canadian Ambassador David C. Reece stressed [the] importance of an agreem[ent] on force levels and also ur[ged] the Warsaw Pact countries [to] provide further clarification [of] the complex package of p[ro]posals tabled on June 8 t[his] year.

The two diplomats speaking [on] behalf of the Warsaw Pact a[nd] NATO respectively we[re] addressing the 179th plen[ary] meeting, marking the openi[ng] of the 16th round of tal[ks] since the conference beg[an] here almost exactly five yea[rs] ago.

Commenting on Ambassad[or] Keblusek's statement at [a] Press conference, a NAT[O] spokesman said that it co[n]tained nothing new and th[at] the western study of th[e] Warsaw Pact proposals has n[ot] yet been completed. Th[e] Czechoslovak chief delega[te] asserted that the West ha[d] what he called detailed an[d] comprehensive informatio[n] about all the provisions of th[e] new Warsaw Pact proposal[s] and that he hoped that th[e] western side would give a con[]structive response in the nea[r] future.

However, the NATO spokesma[n] stressed that the meaning and implications of the East bloc proposals needed further clarification. He added that without an agreement on mutual force levels as a starting point no real progress was possible.

The main area of contention is that even if the East accepts the long-standing NATO demand for a 700,000 man ground force (900,000 overall) ceiling on each side the West regards the data on which such an agreement would be based as completely false. NATO insists that the East has in fact about 950,000 troops in their ground forces while the Warsaw Pact figures refer to only 805,000. In their latest proposal the Warsaw Pact countries offered an initial cutback of 30,000 men, 1,000 tanks plus 250 infantry combat rifles by the Soviet Union in central Europe against a U.S. withdrawal of 14,000 men and 1,000 nuclear warheads.

The data and the size of manpower reductions by each side should be taken as the priority task in the new round of negotiations, the Canadian Ambassador said. Also to be debated will be the Western request for a review of the Warsaw Pact suggestions on how to implement the tentatively agreed points of principle. For example, the Warsaw Pact wishes to combine a collective manpower ceiling with firm advance commitments by Belgium, Britain, Canada, West Germany, Holland and Luxembourg to make tropp reductions in exchange for similar cuts by Czechoslovakia, East Germany and Poland.

The Communist package also stipulated that no direct participant to an accord would be allowed to replace more than 50 per cent of any forces withdrawn unilaterally.

Bid to win union backing for Italy pension reform

BY PAUL BETTS

ROME, Sept. 28.

WITH THE pressing deadline of September 30 for the submission of its 1979 provisional budget and a wide-ranging three-year economic recovery plan to Parliament, the minority Christian Democrat Government was today making a last-minute attempt to win trade union support for a key feature of the programme involving a reform of Italy's chaotic pensions system.

Pension reform is widely regarded here as essential if the Government is to reduce the ever-expanding public sector borrowing requirement. Although the need for reform is generally accepted by the main political parties and the trade unions, there is disagreement over the nature of the reforms.

During the past two weeks, the Government has held consultations with the unions but has not yet reached agreement on the crucial question of a ceiling for all pensions and the accumulation of pensions with earnings from employment.

Failure to reach an agreement on these two issues could threaten the credibility of Sig. Giulio Andreotti's minority Government at a time when there are growing tensions between the parties supporting his administration. The unions have held a series of demonstrations in major cities calling for "a fair deal on pensions."

In this uncertain situation, the Cabinet is scheduled to meet tomorrow to discuss the 1979 provisional budget and the broader medium-term economic programme for submission to Parliament before the weekend.

The 1979 budget is understood to envisage a growth rate of 4.5 per cent and inflation of about 10 per cent. To achieve this, the Government, among other austerity measures, intends to reduce the cost of pensions by more than L2,000bn next year. In turn, it has pledged to create some 600,000 jobs over the next three years.

Meanwhile, Sig. Giovanni Galloni has been elected as the Christian Democrat Party chief whip to replace Sig. Flaminio Piccoli, who this summer became party president in sucession to Sig. Aldo Moro, who was murdered by Red Brigades terrorists in May.

The election of Sig. Galloni, wohse position as deputy secretary of the party is expected to be taken over by the present Industry Minister, Sig. Carlo Donat Cattin, follows a last-minute compromise within the ruling party now suffering from internal strains partly as a result of Sig. Moro's death.

The compromise is seen here as an attempt to close party ranks and give the impression of unity. While the current tensions within the party reflect the customary jockeying prior to the party's national congress next spring, the Christian Democrats are clearly aiming at consolidating their electoral position. With the possibility of an early general election late in the spring, the party is seemingly seeking to dress up its image.

This latest reshuffle also implies the appointment of a new Industry Minister in place of Sig. Donat Cattin, who for some time has been seeking to increase his voice in the ruling party leadership.

Terrorists kill Lancia manager

BY OUR OWN CORRESPONDENT

ROME, Sept. 28.

RED BRIGADES terrorists shot dead an executive of the Lancia car group in Turin this morning in what is seen here as a revival of political violence in Italy after a brief summer lull.

The shooting of Sig. Piero Coggiola, a 46-year-old manager of the Fiat controlled Lancia company, follows a series of bomb attacks in major Italian cities.

In a telephone call to the Turin evening newspaper, Stampa Sera, the Red Brigades claimed responsibility for the killing. Over the last nine months, the terrorists have shot 11 people in Turin, three of whom died.

Today's attack comes shortly after the arrest in Milan of Corrado Alunni, who police suspect is a leader of the movement and who was allegedly involved in the kidnapping of Sig. Aldo Moro, the murdered Christian Democrat leader. The arrest of Corrado Alunni is regarded here as a major breakthrough in the Moro investigations.

As police continued their interrogation of Alunni, who so far has only declared he is a "militant Communist" and a "political prisoner" the political parties here have decided to hold a parliamentary debate on the Moro affair on October 19. At the same time, there is growing pressure for a full-scale parliamentary inquiry

Madrid talks on social contract

BY ROBERT GRAHAM

MADRID, Sept. 28.

THE SPANISH Government today initiated the first of a series of tripartite meetings with trade union leaders and representatives of Spanish management to pave the way for negotiation of a new social contract. Today's meeting involved the leaders of the two main unions (the Communist-controlled Confederation of Workers Commissions (CCOO) and the Socialist-oriented UGT) and members of the businessmen's association, CEOE, that employs 60 per cent of the country's workforce.

Another meeting will be held later with representatives of the smaller unions and the Government is also pledged to listen to the views of small businessmen.

The meetings have been prompted by the need to renew economic policy laid down in the package of political and economic measures agreed last October by the main political parties and known as the Moncloa Pact. This agreement was for one year and expires next month.

The purpose of today's meeting was not to negotiate, merely for each side to exchange views.

Unlike the negotiations for the Moncloa Pact, the Government has begun by consulting those parties most directly involved in implementing a wages policy and price control. The unions and management last year took no part in the Moncloa Pact discussions, which were all conducted between the political parties.

This change of emphasis could result in a completely different form to the social contract. Instead of relying on an agreement between the political parties, the Government may prefer to arrange the contract as a tripartite pact between Government, unions and management. The Government would like to see the Moncloa Pact's wage ceiling of 22 per cent for 1978 cut to around 12 per cent for 1979. The Pact's 17 per cent limit on the increase in money supply would be reduced to around 15 per cent, perhaps lower.

The unions are resigned to a cut in wage increases and their main concern is to ensure that the Government boosts public investment and stimulates business confidence in order to reduce unemployment. The unions, especially CCOO, also have demands which are more political, such as the fixing of a date for municipal elections. As for the employers, the CEOE President said that he backed a new commitment to invest. But the counterpart for this would be acceptance by the unions of a more liberal hire-and-fire policy.

Commission puts off fibre cartel proceedings

By Guy de Jonquieres, Common Market Correspondent

BRUSSELS, Sept. 28.

THE EUROPEAN Commission has decided not to initiate formal anti-trust proceedings against the cartel agreement signed last summer between major EEC synthetic fibre producers before the 13 Commissioners have again discussed the issue fully at a meeting on November 8.

There is no doubt among legal experts in the competition department, under Commissioner Raymond Vouel, that the cartel plan violates Article 85 of the Treaty of Rome, which prohibits restrictive agreements between companies, and that the Commission would be justified in outlawing it.

These lawyers believe that the Commission cannot afford to appear indifferent to such a blatant challenge to competition law. But M. Vouel has been prevailed upon by his colleagues not to take any action until the problems of the synthetic fibre industry have been thoroughly analysed in Brussels.

Studi of the reasons for the industry's excess capacity and recommendations on how to deal with it are now being drawn up by the Commission staff.

The cartel agreement was concluded with the active encouragement of the Industry Commissioner, Viscount Etienne Davignon. He was apparently convinced that it was the most effective way of imposing price and production discipline on Italian companies, which are saddled with the heaviest capacity surplus in the EEC.

To protect the arrangement from EEC competition laws, Viscount Davignon persuaded M. Vouel to draft a regulation which would have legitimised cartels in crisis indsutries. But last July, after several weeks of discussion, it became clear that the proposal was widely opposed inside the Commission and it was effectively shelved.

While the fibre industry's problems are clearly recognised in Brussels, there appears as yet to be no consensus on how to deal with them. In the light of the mixed results of Viscount Davignon's plan for steel, a number of Commissioners are decidedly wary about further EEC intervention to help troubled industries.

Dutch unemployed

The number of unemployed in Holland rose in September to 211,600, an increase of 1,100 over the August figure, the Government statistics agency said, Reuter reports from The Hague.

New Soviet tracking station on Svalbard

BY WILLIAM DULLFORCE

OSLO, Sept. 28.

THE Norwegian Foreign Ministry confirmed today that the Soviet Union has built a small satellite tracking station on the Norwegian island of Svalbard (Spitzbergen) without Norway's permission. The station is close to the helicopter base, where, it was disclosed this summer, the Russians have also established a radar unit and built a landing strip.

All these installations are within the area in which the Russians operate coalmines and the township of Barentsburg.

The Russians claim that they are allowed to set up installations without seeking Norwegian permission.

The 1920 treaty which recognised Norway's sovereignty over the Svalbard Islands, gave 40 other nations the right to exploit freely the island's economic resources and to carry out scientific research.

It also outlawed military activity on the island. The Norwegian authorities, who have been trying to enforce their administration on Svalbard, say there is no evidence that the new Russian installations serve any military purpose.

They believe nevertheless that the installations are intended to re-affirm the Soviet presence on Svalbard, which is situated in a strategically vital area on the sea and air approaches to their large military base on the Kola peninsula.

Arabs, Norwegians differ at OAPEC conference

BY OUR OWN CORRESPONDENT

OSLO, Sept. 28

ARABS AND Norwegians differed over investments in refineries and petrochemical projects here today at a conference on cooperation between the Organisation of Arab Petroleum Exporting Countries (OAPEC) and Scandinavia.

Mr. Mohammed Mazouni, vice-president of Algeria's Sonatrach Corporation, argued that extracting oil and gas was insufficient to build up true economies in the Arab states. The key to economic and social development lay in the downstream operations, converting these materials into more refined and complex products.

More than half the total investments in downstream operations planned by the OAPEC countries up to 1985 would go into plants for liquefying gas for the benefit of the consumer countries, he said. Only some 5 per cent would go to the production of finished or semi-finished exports.

The OAPEC countries needed cooperation with the developed, consuming countries to build up their processing industries in return for guaranteed supplies of raw materials and the sharing of the financial risks.

Mr. Vidkunn Hveding, Norwegian chairman of the Norconsult company, warned that the oil producers could not obtain a monopoly position in downstream activities as they had done in the extraction of oil and gas. Gas and oil processing was open to competition and the value added downstream would tend to be matched by the cost added, leaving no great profit.

He said there could be justification for individual refinery and chemical projects and political reasons for having a foothold in petrochemicals. But in many cases the producer might earn more by selling his oil than by joining in the processing.

French prices rise slows

PARIS, Sept. 28.

FRENCH retail prices rose by 0.6 per cent in August, compared to a 1.2 per cent rise in July and a 0.5 per cent gain in August last year, the National Statistics Institute said. The index (base 1970) was 202.5 in August to give a 9.4 per cent year-on-year rise compared with 9.3 per cent in July.

The Institute said that food prices rose by 0.9 per cent in August following a 0.6 per cent July gain. But the rate of rise of manufactured products and services slowed sharply to 0.4 per cent from 1.4 per cent and to 0.6 per cent from 1.5 per cent respectively.

Wholesale prices rose by 0.5 per cent in August after a revised 0.4 per cent July gain, the Statistics Institute said. The August increase gives a year-on-year increase of 5 per cent compared to 4.36 per cent in July.

● Most Air France flights were today cancelled for the second day running because of a strike by cabin crews, French Airlines officials said.

Less than a fifth of scheduled incoming and outgoing flights were maintained at Orly and Roissy-Charles de Gaulle.

Short and middle-haul flights were the most affected. The two-day strike, for higher pay and better working conditions, was due to end tonight.

● Paris mail deliverers announced today they will strike for 24 hours in honour of a comrade who was fatally stabbed when he refused to surrender his mailbag to a robber.

Agencies

EUROPEAN NEWS

ambsdorff optimism on Vest German economy

ADRIAN DICKS

BONN, Sept. 28.

NT reduction in unem- t to below the 1m mark, with real gross national growth of close to 3 per s forecast today by the erman Economic Mini- unt Otto Lambsdorff, in to the Bundestag.

e course of a frankly t review of the prospects West German economy, ambsdorff also predicted ation this year would be per cent. The unem- t rate implied by an of below 1m would be der 4.5 per cent. Last with 923,000 people out the rate stood at 4 per Figures for September, be published next week, o expected to be fairly

while the president of the bank, Dr. Otmar ger, sounded an even ptimistic note when he an interview with the Sueddeutsche Zeitung that growth during the period from mid-1978 to mid-1979 might be anywhere between 3.5 per cent and 4.5 per cent. Such a growth rate would be "almost an ideal one" for West Germany, Dr. Emminger said, as it would allow full use of capacity and draw down the unemployment rate without running the risk of overheating.

Count Lambsdorff, ascribing much of the credit for the improvement in medium-term prospects to the federal Government's stimulatory packages of 1977 and 1978, did not, however, hide his concern at the external dangers that might still weaken the increasingly firm upward trend of the economy.

Export demand for West German products showed little likelihood for strengthening in the immediate future, while in the U.S. and in Japan there were signs of a slowing down in economic activity. He warned that West Germany would also find itself increasingly threatened by countries with more favourable costs.

"Foreign competitors are very often cheaper than we are. We cannot in the long term assume that quality, punctual delivery and conscientious service will compensate for our higher prices."

The Economics Minister also sought to forestall criticism of West Germany's mounting surplus on visible trade, underlined by the August figures published earlier this week, which showed a DM 3.1bn surplus on the trade account.

"The renewed high surpluses in our trade and current accounts can be traced to the divergent development of export and import prices, that is to say to an improvement in the terms of trade, and veil the real trend," Count Lambsdorff said.

re-election row threatens CDU

JONATHAN CARR

BONN, Sept. 28.

TEN days before a crucial cial election which could the balance of power in the main opposition an Democrat Party (CDU) come involved in a public ship wrangle.

dispute has shocked many parliamentarians and given rt to the Social Democrat and Liberal Free Demo- FDP) parties, which form deral Government coalition Chancellor Helmut dt.

a magazine interview one r Opposition leader and date for the chancellorship, ainer Barzel, criticised his ssor, the present CDU chair- Dr. Helmut Kohl, in un- ly sharp terms. Dr. Barzel ed that Herr Schmidt was given an easier passage by Opposition than any other cellor in West German y.

Herr Schmidt should be under constant Opposition pressure—and there were plenty of chances to do this, Dr. Barzel said. But instead, when the Chancellor looked in his diary each morning to see what urgent problems needed examination, one word "Opposition" was hardly to be found there any longer.

Dr. Barzel did not wholly rule out that he might one day attempt to return to the CDU leadership himself. But he felt the immediate need was for a leadership group, four or five strong, to give the Party the vigour it needed. Dr. Kohl promptly retorted that he would not at present reply to Dr. Barzel's criticisms because he had more important things to do—namely to fight in the election campaigns in Hesse and Bavaria.

There are many in the CDU and in its Bavarian sister party, the Christian Social Union (CSU), who tend privately to agree with the thrust of Dr. Barzel's remarks and occasionally such criticism is made in public. But there is general anger that extra ammunition should be given to the government parties at this, of all moments.

The Hesse election is being held on October 8—with an SPD-FDP coalition fighting to stay in power against a strong CDU challenge. Opinion polls so far indicate the result will be very close. If the CDU is able to take Hesse then the balance of power in the Bundesrat—the upper house of the Bonn parliament—will be such that the Opposition would have a theoretical veto over any proposed government legislation.

A week later, on October 15, it is polling day in Bavaria. But less is at stake there since no one even faintly imagines that the CSU will be displaced from the power it has held there for many years.

Hopes of Portugal accord recede

By Our Own Correspondent

LISBON, Sept. 28.

THE CHANCES of Portugal's quarrelling political parties finding the common ground necessary for a majority governing accord in Parliament are receding. Many observers are now pointing to the inevitability of early general elections next March.

Following two days of separate consultations between the four major parties — Socialists, Social Democrats, Communists and Christian Democrats—President Antonio Ramalho Eanes announced he was giving the parties time to reflect on the positions outlined during their talks and would wait for their proposals.

However, spokesmen from the country's largest group, the Socialists, and the Social Democrats, were sceptical of any new inter-party agreement being reached despite the relative optimism of the Christian Democrats and Communists.

The leading Right-wing weekly newspaper Tempo says today the most likely outcome is a government of independents backed by Parliament taking office in November to run the country until fresh balloting next March. Meanwhile, the ousted independent Cabinet of Sr. Alfredo Nobre da Costa will continue in office.

Meanwhile, economists are predicting that tough austerity measures taken earlier this year to restore equilibrium to a runaway balance of payments deficit, will really start to affect the general public in the next six months.

Reuter adds: Dr. Mario Soares, the Socialist leader, said after a seperate meeting with General Eanes yesterday he did not expect his party to return to government in the near future, but it would do so after new elections if the people so wished.

ENERGY IN POLAND

Blackouts despite coal boom

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S EIGHT-YEAR dash for economic growth through industrial expansion is running into a series of bottlenecks of which the most important is a developing energy shortage. With its large deposits of hard and soft coal, Poland held out against the switch to oil which took place elsewhere in Comecon, and kept on developing new coal mines as the basis of its own domestic energy programme and to provide hard currency through exports. This policy gave Poland a welcome improvement in its competitiveness and terms of trade following the 1973 oil crisis. But the heavy and continuing investment in new coal mines and coal-fired power stations has not been sufficient to keep pace with the sharp rise in domestic energy demand, both from industry and because of rising living standards.

The result was a damaging series of power failures last winter which cost industry alone an estimated 27.5bn zlotys (£420m) in lost production. This is roughly equivalent to the cost of building generating capacity to supply the 2.6bn kWh which was lacking last year—some 2.3 per cent of total electric power production.

This winter the situation looks like becoming even more serious, and Polish planners are now crossing their fingers and hoping that the cold, wet summer (which looks like producing yet another disappointing harvest) will not be followed by a cold winter as well.

At the height of the power crisis last winter factories were having their supplies cut off with little or no warning. The power authorities, mindful of the great blackouts in the United States in the 1960s and two years ago, had to act swiftly.

The problem was not confined to Poland. "Our neighbours didn't have an easy winter, either," the chief of the grid system told the weekly Polityka earlier this year. Everyone was looking for electrical energy and they were happy to pay for it in any currency. There was money to be made. But we didn't have any spare energy ourselves."

The autumn and winter peak period has brought power cuts in Polish industry since 1976. This was the year that the major capital investments which are the pride of the economic expansion of the seventies started coming into production.

The main reason for the shortages is that despite a 70 per cent growth in capacity since 1970 the power generating industry has not expanded in step with the rest of industry. Energy expert Professor Kazimierz Kopecki blamed the shortfall on inadequate investment and the delay in turning to atomic energy, in a recent lecture to the Polish Electrical Association.

In addition, he said that the quality of equipment was low and that there were shortages of people, equipment and spare parts for repairs and overhauls. The power stations were also designed to use better quality coal than they get at the moment, and this leads to breakdowns. There are also delays on power station construction sites.

This coming season, plans have been drawn up which aim at minimising the losses which will result from the expected shutdowns this year. The number of plants which can expect to have cuts this winter has risen to 3,000—a six-fold increase compared with last year. A further 7,000 factories will have power limits imposed on them, and in 2,500 second-shift work will be moved to the third shift to ease pressure on power supplies during the early evening peak period.

Shops, street lighting, cinemas and theatres will also be affected by the restrictions. The cuts are to be spread evenly throughout industry but the raw materials and the construction materials industries will get favoured treatment.

According to experts, a power system needs 20 per cent usable capacity in excess of peak demand to avoid the danger of failure and avoid supply cuts. As of the beginning of this month Poland had 22,058 MW installed.

Investment in Polish coal extraction has been heavy, but insufficient in power stations. The resulting electricity failures cost industry last year as much as it would have cost to build the extra generating capacity needed.

The deficit at peak periods could reach 3,000 MW this winter. Power industry development plans envisage that the 20 per cent excess capacity figure needed will be reached within five years. But this means that Polish industry, which consumed 72 per cent of the 109bn KWH supplied last year, will have to live with power shutdowns for some years to come.

Official plans foresee a 6,000 MW overall increase in capacity by the year 1980, when annual power production is scheduled to reach 132bn KWH. Sixty-six per cent of that annual total will be produced by hard coal fuelled power stations and 21 per cent by lignite. Thirteen per cent will come from oil and hydro power.

Development plans up till 1990 foresee a sharp growth of lignite fuelled power production, which would free hard coal for exports and other domestic uses. The next 12 years will also see the emergence of atomic power production. The prevalence of cheap and relatively accessible coal and the lack of an atomic equipment production sector which could support the construction of atomic power stations has meant that Poland has fallen behind other Comecon countries in developing atomic power. The coal factor also means that oil plays a small role in power production.

While the first 440 Mw atomic power station will be finished at Zarnowiec, in Northern Poland, in 1984, the years 1981 to 1985 will be notable mainly for a sharp growth of lignite fuelled power production based mainly on the Belchatow opencast mine and power station complex. By 1985 32.4 per cent of the planned 179.0bn Kwh produced annually will come from lignite, 53.6 per cent from hard coal and 12.3 per cent from hydro and other fuels.

By 1990 electric power production is planned to reach 233bn Kwh. Of this, 8.2 per cent will come from atomic power stations, 39.5 per cent will be hard coal based, and 40.1 per cent will come from lignite fuelled power stations, leaving 12.2 per cent to come from hydro and other sources.

Official plans notwithstanding, the present power crisis has produced voices urging a rethinking of the approach to energy. Professor Czeslaw Mejro, another acknowledged energy expert, wrote recently that the most serious task at the moment was to make industry conscious of the cost of energy. The country, he says, must take a long, hard look at technologies which are less energy intensive and begin to introduce them throughout the economy.

Professor Kopecki, on the other hand, urges that the electrical equipment and power station construction sectors be developed and that there be improvements in the grid system.

But he puts a speeding-up of the atomic power development programme at the top of his list of recommendations.

Narrowing the 'contact gap' between officials and public

BY GUY HAWTIN IN FRANKFURT

NEXT MONTH some 500 West nan postmen are to take part n experiment which could to them being used as "medi- " between the public and state institutions. According err-Kurt Gscheidle, Minister Posts and Telecommunica- s, the aim of the plan is to e "the contact gap" between people and the authorities.

hile it might seem unfair to angry and frustrated house- lers to the more traditional rds, such as biting dogs, that postman has to face, the gap the Minister is trying to e is a very real one. Civil ants here, both on a local iority and federal level, have asonably well-earned reputa- for rudeness—none more so n in the federal Post Office, Bundespost.

West Germany's postmen, like ir counterparts throughout rope, are, on the whole, a ery bunch. Unfortunately the ahomie does not usually ex- d to the clerks behind the st Office counters or to the ople who run the telephone tem.

t is, therefore, not surprising d Herr Gscheidle has been e of the moving forces behind campaign to persuade the ntry's "beampte" (public thority officials) to act more the public's servants than as masters. Civil servants have en given courses in dealing th the public and booklets ve been issued to them ex- aining the wherefores, whys d hows of improving their pub- image.

The current experiment, which r the first six months will con- ntrate on the Ludwigshaven, ilhelmshaven and Mainz areas, clearly a part of this cam- ign. The 500 postmen involved ill be counselling people on oblems involved with rent, nsions and old-age.

It is too early to say whether not the scheme will be a suc- ss, although there have been ress reports of citizens being ocked speechless by postal erks—the public servants whom eople most often deal with— eating them with politeness, ather than leaping immediately to the attack. The powerful nd privileged position that most ivil servants enjoy indicates hat the job of persuading them o treat the public better could vell be a long one.

The trouble, at least to an outside observer, seems to stem mainly from the cast-iron job security that goes with even a relatively lowly civil service job. Once a public authority employee has achieved "beampte" status—the equivalent in the U.K. of being established—he or she is virtually unsackable. About the only grounds for dismissal is an important breach of public trust. Insulting the public does not appear to qualify.

Curiously enough I have never had much trouble with the people who seem most complained about—the police, customs officials, officials at the police station who register changes of addresses and other officials who deal with the registration of foreigners.

Civil servants in West Germany have a reasonably well-earned reputation for rudeness, none more so than in the Post Office.

The police and customs officials have been unfailingly polite and those involved in registering changes of adress, if somewhat brusque, have never been rude. The officials who register foreign workers are not the most friendly in the world and, while they can be very impatient with guest workers who do not speak a word of German, they are considerably better to my mind than the Home Office people who hand out aliens permits in Britain. There is also a foreigners' registration office in most large towns and, unlike Britain "aliens" do not face the inconvenience of being shunted out of town to a place like Croydon in order to obtain a work permit.

My bugbear remains the Post Office. Except in the small village where I live, postal clerks seem unfailingly rude. It is always possible to transact business at Post Offices in Germany, but frequently it is at the cost of a great deal of time and a good deal of personal dignity.

The telephone service is perhaps most irritating. West Germany's telephone system shares with the Australian one the reputation of being the most expensive and the one offering the least service to customers in the world. It costs about £50 to have a telephone installed and rental curently stands at about £8.50 a month although this will decline slightly next year. The cost of a call is about 6p per unit.

That said, it is extremely difficult to get connected in the first place. Most customers wanting telephones installed from scratch are quoted very long waits. Well aware of this, I booked by telephone well in advance when I moved house. Despite the fact that the installation was ordered in May, no telephone was connected when we moved in the following September.

Appeals to the area Telephone Manager's office brought the news that one might be installed the following March, perhaps later. It made not a bit of difference that lines were already installed from the house to the street. Appeals from the Foreign Press Association to the Minister that the telephone was needed in order to cover the federal election campaign, prompted a letter from the Minister to the area telephone office.

A short time later the telephone people called, saying that an instrument would be installed in mid-November—by which time the elections would have been well and truly over. When this was pointed out the woman replied: "If it was for the Minister himself, he would have to wait just as long. Take it or leave it." I took it.

Even more irritating is the lack of service. It is impossible to get a telephone repaired between 2 pm on Friday and Monday morning. This is not just for individual telephones but the whole system. One weekend last winter a fault in a junction box cut our entire village off for a weekend. The fault remained unattended until the following Monday.

If the Bundespost was making a loss, the situation would, perhaps, be understandable. But the Bundespost is one of the few postal services in the world that makes a hefty profit. Last year it turned over DM 31.8bn and reported a profit of DM 1.98bn—the bulk of which was earned by the telephone and telex services. As my neighbour says: "For that sort of money they could at least say thank you."

Luns defends NATO war games

BRUSSELS, Sept. 28.

DR. JOSEPH LUNS, NATO secretary-general, today defended the staging of big Western military manoeuvres, which have been criticised in West Germany as being provocatively large.

"It is clear that they are well serving their necessary and vital purposes which are recognised and fully supported by all the member countries of the alliance," Dr. Luns said in a statement released at NATO headquarters here.

More than 300,000 troops from a dozen NATO countries have taken part this month in a series of military exercises ranging from northern Norway to Turkey and from the North Sea to the Mediterranean, but centred on West Germany, which is considered the most likely theatre of any possible Warsaw Pact attack.

The official Soviet news agency Tass denounced them as another spin of NATO's "militarist merry-go-round," although Soviet-led Warsaw Pact forces have also held several manoeuvres of their own this year.

The secretary-general's statement follows a suggestion by Herr Hans Apel, West German Defence Minister, that NATO leaders should review the political effect of holding such big manoeuvres in Europe each autumn.

Herr Andreas von Buelow, Parliamentary Secretary of State at the Bonn Defence Ministry, earlier questioned the wisdom of such large manoeuvres and said they might strain relations with Eastern Europe.

General Alexander Haig, who welded a series of national military exercises into one big manoeuvre when he took over as supreme NATO's commander in chief Europe four years ago, yesterday denied that the large war games were either provocative or dangerous.

A key feature of this month's exercises, code-named "Autumn Forge," is the rapid deployment by air from North America of 15,000 U.S. troops to demonstrate and test the ability of the U.S. to reinforce Western Europe quickly in time of tension or crisis.

Meanwhile in Bonn, the Defence Ministry said 16 people have died and more than 100 have been injured in the manoeuvres in West Germany. The dead have included American, German, British and Canadian soldiers and civilians.—Reuter

Assad breaks off Mideast tour to fly to Damascus

KUWAIT, Sept. 28.

SYRIA'S President Hafez al Assad today broke off a Middle East tour aimed at mobilising opposition to the Camp David agrements after Kuwait was reported to have promised to help thwart the accords.

Syrian officials said that the President had urgent business in Damascus. His tour, which has already taken him to Jordan and Saudi Arabia, was to have covered other Arab countries.

Official sources in Damascus said the President had returned earlier than scheduled because of a shortage of time and because he starts an official visit to East Germany on Sunday. The sources said President Assad would resume his Arab tour after returning from East Germany.

Shortly before he left here authoritative sources said Kuwait had told President Assad it was ready to help undermine the Camp David accords, but was not likely to join the "steadfastness front" against Egypt because it considered the hard-liners' position too extreme.

Kuwait, the sources said, regarded the harsh attacks on Egypt and President Anwar Sadat by members of the front — Syria, Algeria, Libya and the Palestine Liberation Organisation —as counter-productive and likely to antagonise the Egyptians.

In Beirut, at least five people were killed and 43 wounded today in the worst round of fighting and artillery bombardment involving Syrian troops of the Arab Peace-Keeping Force and right-wing Christian militiamen since the announcement of the Camp David accords, according to the Beirut Police Department. Lebanon's Presidential palace was hit but President Elias Sarkis, who was in a different part of the building, was unhurt.

In Baghdad, a high-powered Iraqi delegation left for Peking today to broaden the scope of co-operation with China. The visit came amid reports of a strain in Iraq's relations with the Soviet Union. Agencies

Carter praise for Israeli vote

BY DAVID BUCHAN

WASHINGTON, Sept. 28.

PRESIDENT CARTER today praised the "courageous" vote by the Israeli Knesset to accept the framework agreed at the Camp David summit.

He hold a news conferace that President Anwar Sadat and Prime Minister Menahem Begin had earlier today assured him by telephone that there were no remaining obstacles to the start of bilateral peace talks. Last night's Knesset vote clears the way for the removal of Israeli settlements in the northern Sinai.

Clearly buoyed by his Camp David success, Mr. Carter also called for a new international mediation effort to stabilise the situation in Lebanon which, he said, "represents a tragedy the rest of the world, including us, has not adequately addressed."

He said Israel, Egypt and the U.S. had agreed at Camp David to support the beleaguered government of President Elias Sarkis of Lebanon, and the U.S. had also given military aid. He suggested Syria, Saudi Arabia and France might be involved in a mediation effort.

A "new charter" to create a strong, unified Lebanon might be needed, and Mr. Carter said he was against any partition of the country.

On the question of Israeli settlements on the West Bank and in the Gaza Strip, Mr. Carter said he had "an honest difference of opinion" with Mr. Begin that he hoped would soon be resolved.

Meanwhile, the Senate and House of Representatives today agreed to the inclusion of $90m for Syria in the 1979 foreign aid Bill.

Begin faces party split

BY DAVID LENNON

TEL AVIV, Sept. 28.

THE GOVERNMENT'S Parliamentary victory this morning in the debate on the Camp David agreements now finds Mr. Begin's position within the country strengthened.

Over two-thirds of the House backed the Prime Minister and this accurately reflects the general feeling within Israel.

From being a partisan leader of the Right-wing camp, Mr. Begin is now seen as a realist who can set-aside some of his doctrinaire views in the greater interest of peace.

But this view is not shared by all of his party, many of whom believe that he has betrayed the principles of which he was the most ardent proponent until only a few weeks ago.

Some of his most loyal followers may now decide to desert him and form a new Nationalist Party.

The wide-scale defections within his coalition may require Mr. Begin to think about reshaping his party.

Reuter adds: Mr. Yigal Horowitz, Minister of Commerce, Industry and Tourism, resigned today in protest against Parliament's approval of the Camp David agreements, Israel Radio reported.

Mrs Gandhi standing for election to Parliament

NEW DELHI, Sept. 28.

MRS. INDIRA GANDHI, the former Prime Minister, is expected to take up a seat in the Indian Parliament, thus launching a major campaign against the present Janata Government.

Her faction of the Congress party today gave formal approval to her decision to stand for the Chickmagulur constituency in the Southern state of Karnataka. Mrs. Gandhi's political base has traditionally been in the northern state of Uttar Pradesh but she was defeated there in the 1976 General Election which swept Congress out of power.

Mrs. Gandhi's victory has been considered a foregone conclusion since her faction of Congress established a firm hold in Karnataka by capturing the state during the elections four months ago. The member for Chickmagulur, considered a safe seat for Mrs. Gandhi, resigned recently to make way for her.

If elected, Mrs. Gandhi is expected to be formally chosen leader of the Opposition in the Lok Sabha (Lower House of Parliament) where her Congress faction is the largest single group in the Opposition benches. At present, she faces a number of charges of abuse of power during her 22-month emergency rule, but recent by-elections and state elections have indicated that the popular disillusionment with the ruling Janata Party is such that the people are willing to forget her alleged misdeeds.

Rhodesian rebuff

Three of the four parties in Rhodesia's transitional Government yesterday ruled out an early all-party conference to solve the constitutional dispute, expressing surprise that the British Foreign Secretary should have promised "early" invitations to such a meeting, Tony Hawkins reports from Salisbury.

SOUTH AFRICA'S NEW PRIME MINISTER

A short-tempered disciplinarian

BY QUENTIN PEEL IN CAPETOWN, SEPTEMBER 28

THE NEW Prime Minister of South Africa has two claims to fame: as a brilliant organiser and administrator in the ruling National Party, and as the Defence Minister who has built the South African defence force into the most formidable military machine in Africa.

The final accession to power of Pieter Willem Botha — universally known by his initials PW —was built on the strict discipline and loyalty of the Cape Province wing of the National Party he has led for 12 years, and on his reputation as a military man capable of facing the unprecedented international hostility towards his country.

Yet while he has made his name in recent years as a military hawk, he is more of a moderate than a reactionary in South African internal policy. He was the man who committed the South African armed forces to their abortive intervention in the Angolan civil war and he has most consistently opposed the Western settlement initiative in Namibia (South West Africa). At the same time he has supported the cautious moves to scrap petty apartheid within the country and played a major role in drawing up the new constitution to give a share of power to the coloured (mixed race) and Indian communities.

His major defect is a volatile temperament and quick temper. "P. W. Botha is a man with a very short fuse," according to one senior diplomat who has negotiated with him.

Security Council members will today approve a resolution to establish a UN operation in Namibia during its transition to independence, regardless of South Africa's rejection of the proposals, writes our UN correspondent. It calls on South Africa to co-operate with the Secretary-General in implementing the planned UN operation and will declare any unilateral measures null and void.

As Minister of Defence for 12 years — ever since Mr. Vorster became Prime Minister — he has tended increasingly to see international relations in exclusively military terms. He has frequently blamed the Western powers for failing to adopt a consistent strategy of opposition to "Marxism and Soviet expansionism"—and recently told the Orange Free State congress of the National Party that the third world war had already begun.

"We are not a third-rate country which can be kicked around," he declared when he introduced his latest R1.5bn (£940m) defence budget. "If you want to place southern Africa on the road to progress, you will need South Africa's assistance. You will have to accept South Africa's leadership," he said.

He has been a party political organiser all his life, and has seldom travelled outside the country. (Although he has been awarded decorations by Paraguay and the Caetano regime in Portugal.) He began his career as a National Party organiser in 1936 at the age of 20, and eventually rose to become the chief secretary of the Party in the Cape when it first won power in 1948. He became an MP himself at the same time.

Aged 62, only one year younger than Mr. Vorster, P. W. Botha has been a close associate of his predecessor since he was Party organiser for the Stellenbosch area when the retiring Prime Minister was at university there. It was Mr. Botha whom Mr. Vorster chose to chair the Cabinet constitutional committee which drew up the proposed new South African constitution last year. In spite of its poor reception by the coloured and Indian communities, its proposal of joint Cabinet committee was revolutionary in National Party terms.

Pieter Botha

However, he has considerably less experience of relations and negotiations with the black people of South Africa than his colleagues from the Transvaal — a fact which was used against him by his opponents in the contest for the Premiership.

Surprise at transfers from Saudi reserves

BY JAMIE BUCHAN AND ANTHONY McDERMOTT

THE Saudi Government's recent decision to transfer nearly $1bn from its state reserves to the budget account has caused some surprise among bankers in Jeddah, and could have repercussions on the dollar.

The first transfer of Saudi riyals 2.2bn ($661m) will go towards financing the gas-gathering system presently being constructed in the eastern province. The project has been scaled down since first unveiled but is presently planned to collect 3.29bn cubic ft of currently flared gas a year. The latest cost estimates stand at around $14bn even at the reduced level.

The second royal decree—which is required for transfer under the terms of the budget—calls for the transfer of SR1bn to the general budget account.

It has always been held that since Saudi Arabia's budget surpluses are mostly denominated in U.S. dollars, the Kingdom is unlikely to draw on them because of the possible effect on international confidence in the dollar, which Saudi Arabia has pledged to foster.

It could also further reduce the Kingdom's purchasing power through its existing dollar holdings.

In its May statistics, the International Monetary Fund estimated the surpluses invested abroad by the Saudi Arabian Monetary Agency (SAMA) at $51.30bn. Longer-term assets would make this total considerably higher.

About half of SAMA's foreign investment is believed to be in the U.S., mostly in short-term government paper equities and bonds.

The original document for the June, 1978, budget called for expenditure of SR145bn against projected oil revenue of SR130bn —the first-ever Saudi deficit budget. The revenue figure was based on average oil production of 8m barrels a day (b/d) and constant oil prices for the rest of the year.

However, at the Council of Ministers' June budget meeting, the expenditure figure was cut by SR15bn, still leaving the first notional rise in expenditure for four years. Expenditure had been consistently put at SR111bn.

Saudi sources said at the time that the Cabinet had shown concern at the size of the proposed deficit because of the continued slide in the value of the dollar and the sluggishness of the world oil market. Across-the-board cuts in appropriations were ordered.

In fact, Saudi oil production since June has stood well short of 8m b/d. July's production was 6.7m b/d. Even a 5 per cent per barrel price increase at the December OPEC meeting will not alter the picture substantially.

Faced with the danger of a large revenue shortfall for the the first time since 1973, the Government has tightened its belt. For instance, appropriations for the 20 per cent contractors advance payment for the $400m Abqaiq-Yanbu pipeline were held up for two months.

In such conditions, it is not surprising that the Government decided that the gas-gathering project should be given access to a separate account.

POLITICS IN CHINA

Troubles past and present

BY COLINA MacDOUGALL

CHINA'S NATIONAL DAY next Sunday should bring out the usual lists and line-ups that reveal Peking's current political preoccupations. While China-watchers still argue about how far there is a real split at the top, recent posters in the capital showed that the old antagonisms are far from dead.

Wu Teh, Mayor of Peking, and member of the Politbureau, who rose to his present eminence over the heads of comrades discarded in the Cultural Revolution, was once again attacked for suppressing the riots in April, 1976. If Wu ever loses his job, the position of all the Cultural Revolution beneficiaries—and that includes Chairman Hua Kuo-feng—will seem much more exposed.

Naturally, the Chinese, though they admit to economic and social problems, gloss over the political ones. Such difficulties would seem unhelpful when Peking is trying to project a new image abroad. But there is plenty of evidence that they exist. For instance, in early September the authoritative voice of the People's Daily pointed out that some "counter-revolutionaries" were still "endangering socialist undertakings and the safety of people's lives and property." A few days later Peking radio referred to the "real and serious danger" of the "restoration of the overthrown classes.'

Provincial radios have kept up a steady barrage all this year against supporters of the Gang of Four. Senior provincial officials have been dismissed and denounced. Tientsin's top party official was sacked in July, Hupeh's in August. The surprising factor is not the dismissals (both places have been hot-beds of trouble) but the lapse of time between them and the fall of the Gang in October 1976.

Tientsin and Hupeh are both very important politically and industrially (Tientsin is China's third largest city and Hupeh province is the site of the huge industrial conurbation of Wuhan). It is striking that Gang supporters should be strong enough to keep their jobs for nearly two years after the fall of the Four.

Fundamentally, the Chinese are faced with two sorts of political problem. One is the antagonism between those who were for and against the Cultural Revolution, which is clearest at the top but seems to run all the way down the hierarchy. While it was often a case of haves versus have-nots, it was complicated by the webs of personal allegiance that bind Chinese to one another. The other is a restless and politically confused population whose expectations are higher than they have been for many years.

In the top leadership the differences are gradually becoming more clear-cut, though they do not yet appear to affect policy. Subtle variations in line have emerged: Hua stresses politics and Teng stresses work. On the country's top policy-making body, the five-man Politbureau standing committee (Hua, Teng and three others), the weight seems to favour Teng.

Li Hsien-nien, the vice premier who is now familiar to many foreigners as he frequently receives them in Peking, obviously stands with Teng, while the aged marshal, Yeh Chien-ying, is thought sympathetic to him but probably too old to count much now. The mystery man, Wang Tung-hsing, who put the present leadership in power with his crack troops, seems to have moved towards Hua, with a recent speech speaking favourably of the Cultural Revolution.

This line-up hardly comes as a surprise. There is no avoiding the fact that Chairman Hua supplanted Teng Hsiao-ping, and Teng is not a forgiving man. Although compromise and unity have been a steady theme in the Press since the fall of the Gang, the People's Daily has also said there are some old scores it would be wrong not to settle.

China is still struggling to sort out the bitter legacies of the Cultural Revolution upheavals, but already a new problem looms: that of rising expectations as the people wait for the pragmatic post-Mao Government to fulfil its promises of a better life for all by 1985.

Lower down the hierarchy, the old revolutionary cadres—Teng's generation—are moving steadily back into positions of power and influence. These veterans gained their most solid experience of government in the 1950s, when China pressed ahead successfully with industrialisation with a population thankful for peace at any price. One wonders if they are equipped to navigate the shoals ahead, faced with a much more demanding people and a more ambitious modernisation programme.

After all the troubles of the past 12 years it would be no wonder if the Chinese were disillusioned and resentful. Officials certainly are afraid of identifying themselves with any policy at all in case the pendulum swings yet again back to the left. They have seen it all before, several times.

The violence of the Cultural Revolution caused havoc which is repeatedly recalled as hardly a day passes now without news of the posthumous rehabilitation of some victim (sometimes whole families) who died, often gruesomely, in 1967 or 1968 at the hands of Gang supporters.

The middle 1970s, too, were troubled years when absenteeism was common, crime and black markets were run by deserters from communes and industry flourished as never before. The culmination, the attempted coup by the Gang in 1976, which rested on arming the workers' militia, showed that violence was just below the surface.

The Red Guards, who caused most of the trouble in [illegible], have long since been dispersed, exiled to remote rural areas in 1958. Mostly students at that time, they were politically naive, ruthlessly exploited and completely demoralised by their orders to attack the party, hitherto the only arbiter of right and wrong. Sadder and wiser now, they are likely to look at any Government with cynicism.

They were followed into exile every year by millions more, half-educated school graduates whose career prospects were blighted by post-Cultural Revolution education policies. Though a few bright ones may earn places at universities under today's policies, most of them — and that means many millions — will remain a constant source of discontent and friction.

Whoever leads in Peking is going to have to face these restless masses. Teng was well-known as a hard-liner in the 1950s and his current approach seems to be to frog-march China into modernisation. Only the other day an economic minister reported that docking staff wages (by nearly half) had been "wonderfully effective" in raising restaurant standards in Tainan, and he proposed to apply the same sanctions right across industry. Arbitrary punishment like this could lead to very ugly scenes in the more turbulent cities.

Much will depend on how far Peking can fulfill the expectations it has already raised. Even today people would be prepared to endure temporary hardship as long as the Government can be seen to be delivering the goods. Implicitly, Peking has promised a better life for everyone by 1985, the deadline for completion of the extensive list of new plants and reform of agriculture which are to set China on the road to prosperity. But it already seems that this programme cannot be finished by then. What will happen if the Chinese people think they have been misled yet again?

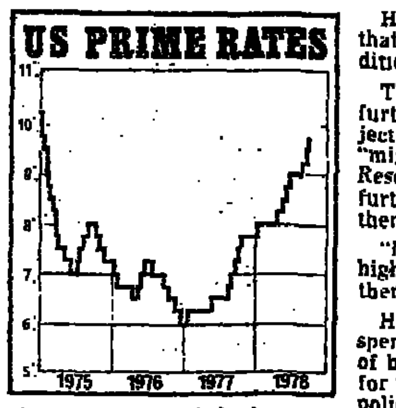
One incident provides a clue. During the summer a Westerner went into a shop in a large industrial town in China. An important railway junction, it was the scene of bloody factional fighting in the Cultural Revolution and riots in 1976. As he looked around, he noticed a foreign watch, identical to one he was wearing. "How much is that?" he asked, and was amazed to hear the price. "The Government's making a lot of profit," he said, "I paid a third of that outside China for mine."

At that, the murmurs of interest from the by-standers turned to a high-pitched buzz and in no time to an angry roar. Just as a mini-riot was on the point of erupting, the police arrived, cleared and closed the shop and hustled the foreigner away. If an idle remark about the inflated price of watches produces that kind of scene, the consequences of more serious frustrated expectations can be imagined.

arter concerned at sharp ses in U.S. interest rates

JOHN WYLES

NEW YORK, Sept. 28.



DENT CARTER has sed concern about recent increases in U.S. interest He has suggested that ent policy initiatives on prices and wages front lessen the need for them higher.

President's remarks de with a general move by ercial banks to raise their rates from 9½ to 9¾ per

s was the second ¼ per cent to U.S. prime rates in ten and reflects Federal Reserve s in the money markets to up short-term interest rates.

pact of the Fed's moves has such that economists n that the new prime rate erely a temporary staging en route to a charge of r cent.

Carter made it clear yes- y that he feared the Fed's t tightening of credit in- ed the threat of a general omic recession.

e Administration was voic- imilar concerns early in the ner when rates were signifi- ly lower than now but had ared ready to swallow sub- ent increases in the interests of trying to control the incessant selling of the dollar.

It remains to be seen whether the President's reluctance to countenance any further tightening of credit has any impact on *the foreign exchanges.*

His remarks appear intended to remind the Fed that insofar as its *interest rate policies are dominated by a desire to curb* U.S. inflation, it soon will be receiving significant policy sup- *port from the Administration.*

This is mainly expected to take the form of voluntary wage-price guidelines although the President *said he was still studying policy* options.

He had told his economic aides that he wanted to move "expeditiously and strongly."

The new policy, coupled with further moves to reduce projected Federal Budget deficits "might influence the Federal *Reserve not to raise interest rates* further and eventually to reduce them," the President added.

"I think interest rates are too high and I would hate to see them go any further."

He indicated he would not spend time courting the support of business and organised labour for the tougher wages and prices policy.

But he hoped there would be enough public support for a sharper attack on inflation.

While a host of banks were raising prime rates to the highest level since January 1975, it was learned that some were also raising broker loan rates to 9¾ per cent.

Meanwhile, latest money supply figures published by the Federal Reserve hold out little prospect of an early easing of credit conditions.

M1 was up by $800m in the latest reporting week and M2 by $1bn. Thus, money supply growth is still running ahead of the Fed's target.

● The Senate Banking Com- *mittee has approved legislation* authorising the Treasury Department to sell gold in one-ounce wafers. The Bill now goes to the full Senate.

Emergency move on rail strike

By Stewart Fleming

NEW YORK, Sept. 28

PRESIDENT CARTER moved swiftly today to try to avoid the breakdown in rail dispute negotiations plunging the U.S. into industrial chaos.

In the wake of the breakdown, he had appointed an Emergency *Board to investigate the dispute,* he announced at his mid-afternoon Press conference.

Appointing the board, *he said,* "will take the railway workers back on the job." The Federal Government would not hesitate to go to court to get a return to work, he warned.

The President's intervention *followed moves yesterday* by Mr. Ray Marshall, Labour Secretary, to end a two-month strike at the *Norfolk and Western Railway.*

On Tuesday, picketing at lines which intersect with the 16-state network of the Norfolk and Western had brought two-thirds of the nation's rail system to a halt.

Disruption to the nation's rail network eased somewhat today, but the continuation of the dispute is threatening to halt large *sections of U.S. industry.*

Today, the 24-hour noon deadline which Mr. Marshall had imposed on the talks passed without agreement being reached.

● President Carter expects the House to act quickly to approve the *Natural Gas Deregulation* Bill already passed by the Senate, Reuter adds. President Carter called the passage of the Bill "courageous."

Senate committee approves $23bn tax cuts

BY DAVID BUCHAN

WASHINGTON, Sept. 28.

THE SENATE Finance Committee has approved a $23.4bn tax cuts for next year. The Bill is not only nearly 50 per cent larger than that passed by the House of Representatives but also contains capital gains relief of $3bn that could lead to a veto *by President Carter.*

The Senate committee version, which is due to be debated by the full Senate *next* week, increases from 50 to 70 per cent the amount of a capital gain such as the sale of shares or *other property* that is subject to regular tax. The Administration had already expressed its *hostility to a smaller amount of* capital gains relief—$1.9bn—contained in the House Bill.

Yesterday Mr. Michael Blumenthal, the Treasury Secretary, warned the Senate committee that he would recommend Mr. Carter to veto any Bill that gave more relief to capital gains *holders.*

It is the composition, not the size, of the tax cut bill that *worries the Administration.* President Carter's latest tax cut proposal called for relief of $20bn next year — a figure about half way between the House Bill and that voted by the Senate Finance Committee.

Treasury officials were today confident that the two Houses of Congress would have to split their overall difference between their two tax Bills,

In any case the Senate will have to trim its tax cut Bill, because it is already over the $21.9bn ceiling Congress has set for next *year's Budget deficit.*

That should not be too hard, for the Senate Committee Bill *contains a number of traditional* special interest amendments, including tax reliefs for horse breeders, Maine and Arkansas chicken farmers, and a $7m tax cut for Texas International Airlines.

Administration economists consider that too large a tax cut next year would be unwise *if inflation is to be mastered.*

On the other hand, a tax cut of some size is needed if only to offset a $5bn increase in social security taxes next January.

But President Carter has warned that he would rather have no tax cut at all—even if this were politically damaging *in the run-up to the* November mid-term Congressional elections —rather than a Bill he considers biased towards *the well-off.*

In fact, the Senate committee has been more generous than the House in the amount of tax relief it would give low- and middle-income Americans, particularly in the $10,000-$40,000 salary range.

● The U.S. Treasury denounced the tax Bill as unacceptable *because of its costs in years* beyond 1979, Reuter adds from Washington. Mr. Emil Sunley, Deputy Assistant Treasury Secretary, said: "It is too large. It is going to have to come down."

Murdoch's exit helpful, print unions claim

By Our Own Correspondent

NEW YORK, Sept. 28

NEW YORK printing union leaders claimed today that the withdrawal of Mr. Rupert Murdoch's New York Post from joint negotiations had enhanced the prospects of settling the strike *by* newspaper print workers, which has now lasted seven weeks. At the same time Mr. Murdoch was warned by Mr. George MacDonald, president of the Allied Printing Trades Council (which covers ten unions) that he was unlikely to win a more favourable settlement by parting company with the New York Times and the Daily News.

Mr. Murdoch's representatives *walked out of negotiations* yesterday afternoon, claiming that they could not accept the development of a mediating rôle for Mr. Theodore Kheel, who was appointed as an observer-adviser by the Allied Printing Trades Council. Mr. Murdoch, who is president of the New York Publishers' Association, was apparently unhappy with Mr. Kheel's arrival on the scene two weeks ago, but it was thought that talks in Washington on Tuesday had produced a general agreement that Mr. Kheel could use his best efforts to encourage a settlement.

Mr. MacDonald said Mr. Murdoch was "upset" after Tuesday's meeting. Mr. Murdoch's lawyer, Mr. Howard Squadron, is said to have attacked Mr. Kheel's rôle. "The publishers then went into a caucus," said Mr. MacDonald, "and when they came back, the Times and the News said they would continue to negotiate on the ground rules agreed for Kheel—and then the Post walked out."

One of the factors contributing to the length of the strike has been the publishers' unity over the demand for a new contract providing for a significant reduction of manning in their pressrooms. Union leaders claim that the Post, which has been losing money since Mr. Murdoch bought it nearly two years ago, has been *taking the hardest line in negotiations* and that the other two newspapers are more eager for a settlement.

U.S. COMPANY NEWS

Court orders new election of Kennecott directors: Westinghouse uranium settlement imminent; earnings decline at Del Monte—page 28

Few differences' in strategic arms talks

BY OUR OWN CORRESPONDENT WASHINGTON, Sept. 28.

FERENCES dividing the and the Soviet Union over w Strategic Arms Agreement e narrowed constantly over past 18 months, and are w quite few," President ter said today.

e hoped to conclude a new T accord by the end of the r.

he *President* was addressing mid-afternoon Press confer- e as Mr. Cyrus Vance, Secre- of State, finished a second of talks on SALT in New k with Mr. Andrei Gromyko, iet Foreign Minister, who is o due to see the U.S. Presi- t here on Saturday.

Mr. Carter's remarks seemed *underline Administration* timism that the latest top-level nd of SALT talks this week *might bring the long years of* negotiating very near to fruition.

The aim is for a SALT II *treaty, lasting till* 1985, and replacing the SALT I agreement which formally expired last year, a protocol governing certain contentious issues like the Russian Backfire bomber and the U.S. Cruise missile and lasting for *a shorter period,* and a set of negotiating guidelines for a possible SALT III treaty thereafter.

Certainly, Mr. Carter is now better placed in domestic political terms to sign a new agreement with the Russians.

He is still riding high on his Camp David diplomatic coup and, *for the time being at least,* tensions between the two superpowers have eased.

ROSPECTING IN MEXICO

Hot on the oil trail down in Tabasco

BY WILLIAM CHISLETT, RECENTLY IN VILLAHERMOSA

ORTUNE SEEKERS reminis- nt of those in the American old Rush are flooding to Villa- ermosa, the centre of Mexico's assive oil production, and pital of the steamy, tropical ate of Tabasco.

Only a few years ago, before l was discovered in the neigh- uring states of Tabasco and hiapas in 1972, Villahermosa *as a quiet backwater,* famous r its Olmec and Mayan easures which lay hidden in ngles for generations.

Now it is a booming city, whose opulation since oil was found as tripled to around 300,000 and *hose cost of living* is among e highest in Mexico.

Hotels are always full, prosti- ition has boomed, and 88 flights week use the small airport, e runway of which is so short at aircraft have *to turn round hen they get to the end of it* n order to taxi back along it the airport.

Oil has put Villahermosa on he map, forcing it into the lime- ight as the saviour of the *ountry's dire economic* plight. ut it has *also* led to a lot of iscontent among the local eople. Of the 1m *barrels* of rude and condensates produced day in 1977, 786,638 came from he southern zone of Tabasco and Chiapas. Of the 16bn barrels of roven reserves in 1977, more han 10bn were estimated to be n the south. Daily production here is now over 800,000 barrels, and proven reserves have *gone* up from 16bn to 20bn barrels.

As a result, the Government is giving top priority to oil, with its vast foreign exchange earnings potential. Petroleos Mexicanos (PEMEX), the state-owned *oil company, is trying to* get at the oil as quickly as possible.

Half the people in Villahermosa are believed to come from other states: one unofficial estimate puts the number of people who depend directly and in- *directly upon PEMEX at 48,000.* In the struggle to get at the oil and the associated natural gas—in a climate which goes suddenly from sweltering heat to downpours of rain—the company has earned itself a mixed *reputation. For the 7,000 people* who depend directly upon PEMEX there is excellent money to be earned, but for many local people *los petroleros* have brought trouble.

The rivers Usumacinta and Grijalva, which wind sluggishly down into the Gulf of Mexico, look distinctly unhealthy. Tropical animals that lived *along* their banks have vanished, it is claimed. Demonstrators came to Villahermosa recently from Mecuacan, where 1,500 families live off oyster farming. They waved blackened, dead oysters, *complaining that oil spills had* ruined their livelihood.

PEMEX denies causing pollution, but last year the Governor of Tabasco set up an office to deal with complaints against it, which include arbitrary seizure *of farmland for oil exploration,* polluted water killing cattle, and fruit groves being backed up to lay pipelines. Complaints are reportedly numerous; in some cases complainants are still waiting for compensation after *four years.*

The money which PEMEX offers—it is common to be paid four times the going rate for a job—has had the effect of pushing up prices steeply. Food is more than 30 per cent more expensive in Villahermosa than in Mexico City. Land prices have also soared. One plot was bought for 450,000 pesos in 1972, and has *just been valued at 5m pesos.*

"The place will be a desert," said the former tourism delegate in Villahermosa. "After the oil is all gone, what will be left? Nothing. They are getting at it regardless of the cost." He claims *that with a more rational policy* PEMEX could get at the oil and still conserve the surroundings.

PEMEX faces problems just trying to keep up with target dates and abreast of the new discoveries of crude and gas. The largest gas processing complex in the world is at Cactus, over the border in the state of Chiapas. Intensive construction *of new "sweetening" plants is* going ahead there, to remove the high sulphur content of the gas. It receives gas from all the southern region, and there are now eight "sweetening" plants in operation, with a capacity of *900m cubic feet a day.* By *next* month the capacity should reach 1.4bn, and by next year, when four more plants are finished, 2.2bn cubic feet a day.

Five hundred tonnes of sulphur a day are produced at Cactus; by *1979* it should be 1,100 tonnes. It is 99.98 per cent pure, and last year the first ship- *ment, of* 20,000 tonnes, went to Spain.

Last month 8,000 barrels of liquid gas a day started to be produced, and the plan is to raise production soon to 100,000 barrels a day. PEMEX has 150 oil wells in *operation* in the south and 60 exploration rigs, with a success rate of 70 per cent. *Long-term success* — and the effect on Villahermosa — remain to be seen.

Banzer is envoy

BUENOS AIRES, Sept. 28.

THE NAMING of Gen. Hugo Banzer, *former* Bolivian President, as Ambassador to Argentina by Air Force General Juan Pereda, who deposed and replaced him in July, is seen here as further tightening the circle around Chile

Nicaragua war

PANAMA CITY, Sept. 28.

SEVERAL HUNDRED men who volunteered to join rebels fighting President Somoza's forces in Nicaragua boarded buses in Panama City for an undisclosed *training base yesterday.*

General Somoza is "making plans to meet opposition leaders after setting free seven of his political opponents,

WORLD TRADE NEWS

Nissan trucks to be made in Portugal

BY CHARLES SMITH — TOKYO, Sept. 28.

NISSAN MOTOR Company has announced plans to produce a European version of its "Asia car" which was specially designed for assembly in South-East Asian countries and has been under production in Thailand since June.

The vehicle, renamed the Datsun Sado for the European market, will be assembled in Portugal from next spring and exported mainly to southern European and African markets.

The Sado is a commercial vehicle which will be available in four types in Europe: as a pick-up truck, aluminium van, microbus and ambulance. It will be assembled by Entreposto Commercial de Automoveis, Nissan's Portuguese distributor.

Entreposto already assembles Nissan passenger cars for the Portuguese market at the rate of some 25,000 vehicles per year, but this will be its first venture into exports.

The Sado project will start on a small scale, with the assembly of only 100 vehicles per month but may be stepped up rapidly, depending on market reaction. The Sado will cost Y810,000 in its pick-up version.

Nissan says it designed the Asia car to maximise the amount of local content which could be included in overseas CKD assemby ventures. In the Portuguese project, the Sado's outer panels, shock absorbers, tyres and glass will all be locally manufactured. The engine and chassis will be shipped from Japan.

Nissan's Portuguese assembly operation is one of two in Western Europe, the other being in Ireland. The company apparently chose Portugal as the site for the Sado project because of its proximity to markets where the car is likely to be sold.

Hopes rise in Lisbon on textiles

LISBON, Sept. 28.

PORTUGAL expects to export Es 30bn (about £333m) worth of textile goods this year, about one-third higher than last year, according to figures just released.

This boost when the textile industry in Europe is depressed and local industrialists are facing increased production and labour costs.

This year's higher figure has been considerably helped by the success of the annual textile fair —Portex 78—just ended in the northern city of Oporto. The fair's organisers claim that Es 5,000m-worth of orders were taken during the five-day fair which, added to the official forecasts for the industry this year, will give the record export figure mentioned.

The fair, which closed on September 22, drew buyers from 28 foreign countries led by Britain with 219 visitors. France with 172 and West Germany with 109 were the next most important group of visitors.

Portugal's textile trade employs some 150,000 workers and is concentrated in the north of the country where it is the biggest job provider.

It is characterised by its division into hundreds of small concerns which struggle to remain profitable and fail to take advantage of economies of scale which a rationalised industry could bring.

Reuter

Hong Kong air service to Canton likely next month

BY MELINDA LIU — HONG KONG, Sept. 28.

A HIGH-LEVEL Chinese civil aviation team arrived here today for final negotiations on the opening of daily passenger flights connecting Hong Kong and Canton, scheduled to start before the beginning of the autumn trade fair in Canton on October 15.

Rumours of an impending Hong Kong-Canton air link have periodically surfaced here, particularly in connection with the spring and autumn Canton trade fairs.

But this is the first time that officials from the Civil Aviation Administration of China (CAAC), Peking's flag carrier, have confirmed the plan. CAAC official in Canton did so in an interview published in the Hong Kong-based Communist newspaper, Ta Kung Pao.

The route will be flown by Chinese-owned 100-passenger British Tridents and a one-way trip will take about 25 minutes.

Apparently to be discontinued at the end of the month-long trade fair in Canton, the service will help transport some of the large number of businessmen and tourists expected at the fair. The number exceeded 38,000 last year and the same trip by train can take seven hours.

When the service begins, it will be the first resumption in nearly 30 years of an air link between the British Colony and Canton. The service will technically involve non-scheduled chartered flights—at least once a day each way, with more depending on demand—since the absence of a functional Britain-China air service agreement precludes the establishment of a regular scheduled passenger service.

Chinese officials in Peking recently told a visiting British trade delegation led by Trade Secretary Edmund Dell that talks on the Britain-China civil aviation agreement would be re-opened. An agreement was initiated in 1973 but never successfully resolved.

Boost for TV industry

BY YOKO SHIBATA — TOKYO, Sept. 28.

WITH THE start of world's first sound multiplex TV broadcasts today, Japanese home electric appliance manufacturers expect demand for related equipment to increase rapidly.

The Posts and Telecommunication Ministry recently granted licences for sound multiplex broadcasts for seven TV stations.

In order to receive stereophonic and bilingual broadcasts, viewers have to install a special tuner or adaptor, or buy new TV receivers.

Adaptors cost around Y30,000 to Y40,000 (£80-£107) and Y40,000 to Y80,000 for tuners, while TV receivers with built-in speakers and tuners will cost Y30,000 more than conventional colour TV receivers.

It is estimated that Y370bn-worth of demand for new equipment will be created in the next three years by the broadcasts.

Power station approved

HONG KONG, Sept. 28.

THE GOVERNMENT here has approved an application from Hong Kong Electric Company to build a power station on Lamma Island to meet the expected growth of demand for electricity on Hong Kong Island.

This demand is expected to grow at an average rate of about 9 per cent each year for the next 10 years.

Earlier this year, General Electrick Company was awarded a £100m contract for the supply of generating sets for a new power station being built by China Light and Power Company, which supplies electricity to Kowloon and New Territories.

This, the biggest order ever placed for British generating equipment, was for the first phase of a power development scheme that will cost about £950m.

EEC delegation to China sees 'great possibilities'

BY JOHN HOFFMANN — PEKING, Sept. 28.

THE EUROPEAN Economic Community delegation led by the Commissioner for External Affairs, Mr. Wilhelm Haferkamp, ended its discussions in Peking today convinced of "huge and permanent possibilities for co-operation between the EEC and China."

The delegation of 30 EEC officials and businessmen has spent four days in high-level consultations with Chinese trade and economic leaders, strengthening the structure of the five-year EEC-China trade agreement which was signed in Brussels last April.

Before leaving Peking today for Shanghai and Hankchow, Mr. Haferkamp said members of the mission had completed lengthy and fruitful discussions with China's Foreign Trade Minister, Li Chiang, Vice-Premier Li Hsien-Nien, who is a chief economic spokesman, Chairman Hua Kuo-Feng and other senior members of the Chinese leadership.

Representatives of European industries, banks and trade union organisations had also talked with their counterparts in Peking. "We were informed very intensively about China's 'four modernisations' plan and we can see the possibilities of Europe contributing to the realisation of the programme," said Mr. Haferkamp.

The programme has set the year 2000 as the target date for bringing industry, agriculture, defence and science and technology up to advanced world standards.

The delegation's visit had been a goodwill and exploratory mission, he said. Discussions had been mainly in general terms and it had been agreed that experts on both sides would now take up detailed discussions which could lead to firm agreements.

It had also been agreed that a mixed Commission representing China and the nine EEC member countries would have its first meeting in Peking early next year, Mr. Haferkamp announced. In addition, the president of the EEC Commission, Mr. Roy Jenkins, would visit China next spring. The date of the visit would be announced soon.

During talks with the EEC officials, China has reaffirmed its acceptance of conventional international practices in trade and financing. Mr. Haferkamp said, however, that China still adhered to its two exceptions: it would not accept Government-to-Government loans and it would not allow direct investment in China.

The delegation had been impressed by the realism of the Chinese in all their discussions. "We are convinced that the large plans of the 'four modernisations' can be achieved," he said. "We are convinced that there are huge and permanent possibilities for co-operation between the EEC and China."

Follow-up talks between Europe and China "at civil servant level" would cover administration, industry, energy and agriculture.

Asked whether the EEC would respond with sufficient speed to satisfy China's anxiety to show quick results, Mr. Haferkamp said: "Chairman Hua told us that China was patient. Sometimes there is reason for impatience in the EEC because of the administrative processes, but there is constant and actual progress."

He outlined the role of the EEC Commission in implementing the five-year trade agreement. "We can create a framework and lay down rules on which both sides agree. Businesses will then operate within that framework."

Mr. Haferkamp agreed that China would expect to increase its exports to Europe in order to finance the massive imports it envisages—but he was guarded about the range of products Europe would buy.

"It depends on China's production and on its marketing presence in Europe," he said. "This is one of the matters of high priority for expert and detailed discussion. The Chinese have mentioned high-value non-ferrous metals among other items, but that will have to wait for further discussions."

The EEC was aware of the difficulties created for China by European tariffs and the textile question had been discussed in Brussels at China's request. Last week the EEC Commission had decided to enlarge the list of "liberalised" Chinese products and that list could be further enlarged depending on the products, said Mr. Haferkamp.

The delegation had concentrated on trade possibilities during its visit, he said. "But I stress that the co-operation we envisage is not limited to economic terms. Our co-operation is also of high political importance to both sides." Chinese leaders had been interested in the expansion of the Common Market and its relations with other countries.

French hit at bearings 'dumping'

FRENCH makers of ball bearings have urged the Government to take steps to check growing "unfair" competition from Eastern Europe, AP-DJ reported from Paris yesterday.

A communiqué issued by the Industry Federation accuses East European manufacturers of systematically undercutting prices. It claims that bearings imported from Eastern Europe sell at prices ranging between 15 per cent and 20 per cent below those prevailing in France and other European countries.

It says that, because East European countries need foreign currencies, their export prices are fixed without taking production costs into account.

The Federation points out that Société SKF France, the leading manufacturer of ball bearings, was forced to shut down one of its plants and lay off more than 300 workers because of unfair competition.

The French ball bearing industry has an annual turnover of Fr 2bn, and employs 13,500 people.

Soviet TV order

A contract for the supply of over £2m worth of TV tube production equipment to the USSR has been won by two British companies, Stein Atkinson Stordy of Wombourne, near Wolverhampton, and Edwards High Vacuum of Crawley, Sussex. The companies are to supply two colour TV tube exhaust lines with a combined capacity of over 150 tubes an hour and installation at a new Soviet production facility near Moscow will be completed later next year.

Satellite link

Nippon Electric said it had received a Y7.2bn order from Libya for three ground stations for an international telecommunications satellite link. The yen-denominated contract, awarded by Libya's posts and telecommunications corporation, calls for building two stations, each with a 32 metre parabolla antenna, and one movable station with an 11 metre parabolla antenna in the suburbs of Tripoli by January 1980.

PAL for Spain

Spanish Television said it had chosen the West German PAL colour television system instead of the French SECAM method. The Spanish Government still has to approve the State-owned company's decision, a spokesman said. An estimated 9m television sets are in service in Spain, the vast majority black and white.

Mexico turbine plant

International Harvester said its Solar Turbines International group has formed a joint venture to build a plant in Veracruz, Mexico, for assembly, test and overhaul of gas turbines and compressors. Participating in the joint venture are Solar Turbines Ltd, an overseas operating subsidiary of the group, and Corporacion Dyma-Vulkano, Solar's current sales representative in Mexico.

ENI licence

Snamprogetti, a company in the ENI group, has announced that the Petrotex Chemical Corporation has been granted a licence for the construction of a 100,000 ton/year methyle-tert-butyl-ether (MTBE) plant to be built in the U.S. using the Snamprogetti patented process. Petrotex Chemical Corporation of Houston, Texas, is a subsidiary of Tenneco.

Ecology curbs 'threaten German investment'

BY SUE CAMERON

THE GERMAN chemical industry will have to rely increasingly on investment abroad because of the "excessive" cost of meeting environmental safety standards at home, according to Professor Herbert Grunewald, chairman of Bayer, one of the leading West German chemical companies.

Professor Grunewald, speaking today at a German Chamber of Industry and Commerce lunch in London, said the growing number of Government regulations—particularly those concerning the environment—were tying up billions of Marks worth of investment projects in Germany itself. He claimed that the "excessive and increasing costs" of research and development could no longer be recovered within a reasonable time by German chemical companies which relied on their home market. The logical step was therefore to invest more abroad.

Bayer, along with some of the other German chemical majors, has been looking at the possibilities of manufacturing within the UK. Bayer is thought to be considering buying up existing plant in Britain as well as examining opportunities for building anew.

Professor Grunewald pointed out that only 20 to 30 per cent of new investment in the German chemical industry was going into the expansion of capacity—yet in the past the increase of production capacity had been foremost. He said today that German chemical companies were "concerned with cost-saving investments for alternative materials and methods, replacement and campaigns for protecting the environment."

Brazil export warning

BY DIANA SMITH — RIO DE JANEIRO, Sept. 28.

CAR MANUFACTURERS and one or two electronic or electrical equipment companies in Brazil export more than they import. Other foreign companies — especially the chemical concerns — still show little response to a government call to balance their foreign trade.

This is the conclusion of the regular chart of the foreign trade performance of 50 major companies — Brazilian and foreign — released by the foreign trade bureau of the Bank of Brazil.

From January to July this year, the overall trade deficit of these 50 concerns ($723.6m) exceeded Brazil's foreign trade deficit for the period ($534.8m).

Among the foreign car companies, the star exporters for the period were Volkswagen of Brazil, with exports of $121.647m and imports of $29.33m, Ford of Brazil, with exports of $42.77m and imports of $23.44m, General Motors of Brazil, with exports of $62.74m and imports of $21.84m, and Mercedes-Benz of Brazil with exports of $52.9m and imports of $16.9m.

In other sectors, the high foreign exporters were Philco Radio and TV, with exports of $82.36m and imports of $37.37m, and IBM of Brazil, with exports of $39.63m and imports of $30.03m.

Apart from those exceptions, the picture is deficitary: Daniel K. Ludwig's Jari project in the Amazon (pulp, forestry, rice and cattle breeding) accounted for 47 per cent of the foreign trade deficit of the 50 companies, with equipment imports of $288.075m.

Ciba-Geigy imported $58.84m and exported only $877,000. Bayer of Brazil imported $33.77m and exported $1.184m. Kodak of Brazil imported $31.10m and exported $8.26m. Pirelli of Brazil imported $20.4m and exported $12.9m.

BL renews Italy deal

BY KENNETH GOODING

BL is to extend the agreement under which Nuova Innocenti of Italy makes a Continental version of the Mini.

A brief announcement about the arrangement was made yesterday by BL in the wake of speculation among the employees —totalling nearly 3,000—at the Innocenti plant in Milan about their position when the current agreement comes to an end next year.

Under that agreement Innocenti has been making 40,000 special Minis a year for the Italian, French, Swiss, German and Benelux markets. Last year 25,000 were sold in Italy, where, in the first eight months of 1978, sales reached 22,000.

Sig. Alessandro de Tomaso, the Argentine industrialist — who with the help of GEPI, Italy's equivalent of the National Enterprise Board, took over Innocenti after BL closed it down in 1976—has in the past pressed the UK group to allow the number of cars produced in Italy to be increased.

There is so far no indication that BL will permit any increase in Innocenti production—the drivetrain and power units, representing around 40 per cent of the total value of each car are supplied from the UK.

£15m factory for Ireland

BY STEWART DALBY — DUBLIN, Sept. 28.

LIFE SAVERS, a subsidiary of the U.S. Squibb Corporation, which makes sugar confectionery and chewing gum, is to set up a plant in Ireland with the help of the country's industrial development authority (IDA).

The company has purchased the 21-acre site on the Wexford industrial estate where it plans to build a factory. The project should start later this year and the factory be completed by 1980. Production is expected to start late in 1980 and get into full swing in 1981.

All told the scheme is expected to cost £15m and provide jobs for 600 people. The IDA, which provides grants and loans as well as being able to recommend approval for a lifting of taxes on exports, is backing the project. However, in line with its usual practice, the IDA has declined to say how much of the total capital outlay it will be meeting.

The company is best known in the U.S. for the manufacture of a chewing gum known as Bubble Yum which it has maintained differs from traditional chewing gum in that it is made from soft gum and its flavour lasts longer.

The attraction of Ireland for the company, as with other U.S. concerns, is that it provides easy access to the European Common Market with the additional bonus of no taxes on what it exports. It is assumed that all the company's products will be sent to Europe.

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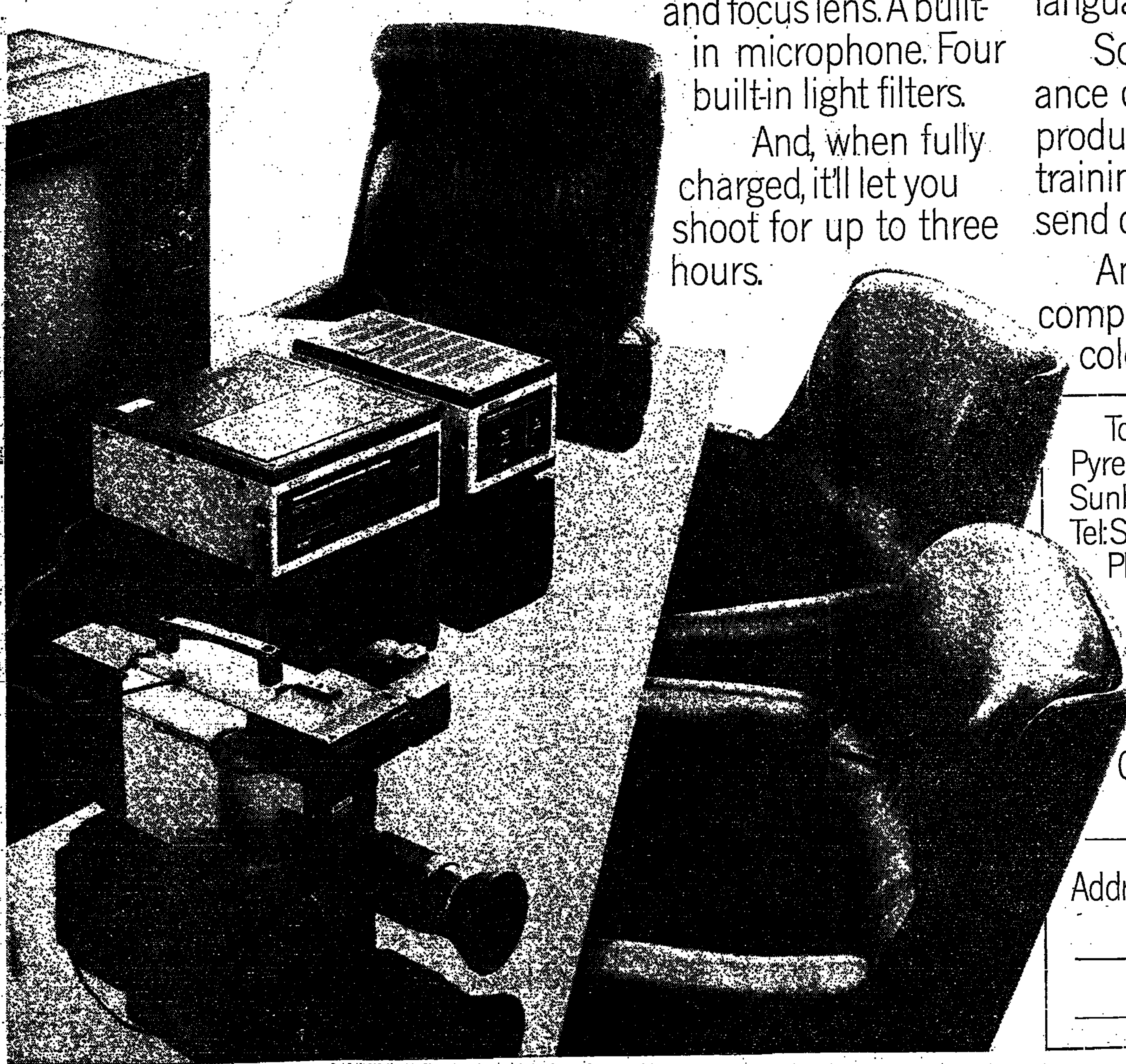

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HOME NEWS

Report recommends wider powers for the Ombudsman

BY ELINOR GOODMAN

THE Parliamentary Ombudsman should be allowed to look at Cabinet papers in his job of investigating complaints of maladministration in Whitehall, a Commons Select Committee recommended yesterday.

In a report on the work of the Parliamentary Commissioner for Administration, the committee also suggested that he might have some limited role to play in disputes over the operation of the Government's black list of companies which have broken the pay guidelines.

The Ombudsman should be able to investigate complaints about contracts or other commercial transactions.

The post of Ombudsman was established 11 years ago to deal with complaints referred to him by MPs about the way Government policies were administered.

A year ago, Justice, the British section of the International Commission of Jurists, called for fundamental changes in the way inquiries into complaints were initiated.

Right

Yesterday, the Select Committee rejected the more radical suggestions put forward by Justice, including the idea that the public should have direct access to the Ombudsman.

But it said that there was a case for extending his jurisdiction and powers in several ways.

The Commissioner should have the right to examine Cabinet papers, except where the Attorney-General certified that access would either be against the public interest or prejudicial to State secrets.

Justice said in its evidence to the committee, that if governments were to continue using State contracts to enforce policies, there was a strong case for providing additional protection against the possibility of administrative injustice in this area.

The committee concluded that, while it would be wrong for the Ombudsman to investigate a complaint that a company had been prevented from tendering for a contract because it had not obeyed Government policy, that was a matter of pure policy. The Commissioner could investigate complaints that such a policy was not being applied uniformly or equitably.

The legislation laying down the Ombudsman's jurisdiction should be changed, to enable the Commissioner to investigate complaints about the way contracts had been awarded.

The Ombudsman should, for example, be able to investigate complaints that contracts had been awarded in an arbitrary manner, or that the Government department had been improperly influenced when making a decision.

Fourth report from the select committee on the Parliamentary Commissioner for Administration. House of Commons papers 615 and 444. SO, £3.25.

Price probe cancelled

THE PRICE Commission has for the first time cancelled an investigation into a proposed price rise. Marley Tile had told the Commission it wanted to raise prices by an average 4.5 per cent, and the Commission decided to investigate.

But it said yesterday that since Marley Tile had withdrawn its planned price increase, it would cancel the investigation. The company is likely to seek a larger price rise early in the New Year.

Marley Tile said yesterday that it had withdrawn the application because it felt a three-month investigation, during which prices were frozen, would put it at a disadvantage if costs then rose substantially.

This was the first such cancellation of an investigation under the 1977 Price Commission Act.

Taxi fares formula put to Home Office

THE PRICE COMMISSION yesterday put forward a new formula for calculating increases in taxicab charges as part of its comprehensive investigation into the taxi and private car hire trade. The investigation is the first to cover the trade and the provinces. Previous Government probes have been confined to London taxis.

The commission has not, however, put a figure on what fare increases should be allowed for taxis, leaving that for the Home Office to decide. London's 16,650 licensed taxi-drivers (not all are active at the same time) have been waiting more than 15 months for the Home Office's reply to their claim for a 28 per cent fares increase and yesterday many seemed unhappy with the prospect of further delay.

The legal difference between taxis and private hire cars, which are both covered in the report, is that a licensed taxicab (or hackney carriage) can legally ply for hire in the streets, whereas a private hire car may not.

According to the report there are 34,000 taxis and 55,000 hire cars operating in Britain. Of these, London has about 12,500 taxis and 27,000 hire cars.

At present, it is the Home Office which determines taxi fares within the London area and local authorities which regulate them elsewhere. Private hire car charges are not subject to regulation as they have to be pre-booked and the customer has the opportunity of asking the price first and of going elsewhere if dissatisfied.

But because London's taxi-drivers are the biggest and most easily identifiable single group in the trade, they tend to come in for more Government scrutiny on fare increases.

London taxi drivers have become aggrieved at having to wait so long for a fares increase, and their frustration was not helped by a delay in the commission's report because of its heavy work-load. Several thousand taxi drivers recently vented their anger by blocking Whitehall in a mass protest.

DAVID CHURCHILL reports on the Price Commission's sweeping inquiry into the taxi and private hire car trade and its suggested new formula for calculating higher fares.

Yesterday's report, while it has put forward a far more realistic framework for future fare rises, has not settled the problems. Instead, the ball has been firmly handed back to the Home Office which has to decide whether to accept the report as a basis for a new tariff structure and, if so, what increase is justified.

The commission decided after its investigations that the present taxi tariff structure should be broadly maintained. This includes an initial hiring charge, a combination of waiting time and mileage, and a supplement for unsocial hours—although not necessarily at their present levels.

The report emphasises the commission's concern that the initial hiring charge has in recent years increased disproportionately to other charges and that this can act as a disincentive to short-distance travellers.

It recommends, therefore, that the relationship of the hiring charge to other charges be restored to the 1975 level by keeping the initial charge at its present level when other components are increased.

But it considers that the present charges for working unsocial hours are too low, especially in London, to produce sufficient drivers to meet demand. When fares are next increased, it says, "a substantial adjustment may then be needed to achieve the appropriate supply." The right level in each area could probably be achieved only by trial and error.

However, the commission is against extra charges for additional passengers, luggage and pets. It argues that the only justification for such charges should be for identifiable costs or extra work or loss of earnings for the driver. "They are in any case a relatively minor ingredient in the fare and could well, in our view, be subsumed in the standard charge." The customer would then know more readily what he can expect to pay."

The commission is also firmly opposed to the system which legally obliges them to accept a fare up to six miles and beyond this limit, to double the fare. "We can see no justification for doubling the fare nor for the limit being six miles. The six-mile limit has its origins in the horse-cab era and it has no relevance to present conditions as such a distance can be covered while travelling in what is now regarded as the central area of London."

The basic fares tariff has in the past been assessed by the Home Office based on an index of movement in car purchasing and operating costs.

In recent years the commission points out, fare increases have tended to make shorter trips relatively more expensive. Between 1975 and last year, the fare for one mile rose by 38 per cent, for 2½ miles by 29 per cent, and for 4½ miles by 18 per cent.

In the provinces taxi fares have increased on average by 96 per cent between April 1974 and this year. This is in line with the rise in the general retail price index but slightly higher than the motoring and cycle component of the index which has been used as a benchmark for these fare rises since 1973.

But the commission concludes that a better method of determining fare levels should be considered which takes into account movements in supply and demand.

Since vehicle costs only account for about a third of the total cost of supplying a taxi service — the rest is drivers' earnings — the commission says that the reliance on increases in vehicle costs alone is misleading.

It suggests a merger of a vehicle costs index — based on a model supplied by the Transport and General Workers Union which represents many taxi-drivers — and the Department of Employment's hourly earnings index.

These two weighted into a single index would provide a measure of change in the total costs of providing a taxi service. But it would be insufficient on its own because it did not also take into account demand for taxi services.

Not surprisingly, the commission acknowledges the problems of determining demand for taxis but suggests the Home Office could monitor a number of factors — including the availability of taxis on the streets — to produce a demand-related index.

A combination of the supply and demand indices would enable the Home Office to calculate an acceptable percentage increase for tariffs.

The commission believes that the spring is the best time for introducing fare increases so that they are adjusted in time for the tourist season. But it suggests the Home Office might want to allow a fares increase before the end of the year based on its new formula.

Outside London the restrictions on the number of licences issued by district councils should be lifted to allow free entry to the trade as in London. But all taxis should be subjected to firm quality and safety regulations. The new fares formula could also be applied to taxicabs in the provinces.

On the private hire car trade, the commission concludes that it is generally efficiently operated, providing a complementary service to taxis, and whose prices are set by competitive forces. But it says the bulk of private hire cars should be fitted with taxi-meters. Eventually it would like to see the convergence of the taxi and private hire car trades towards a single industry "with no artificial barriers and resultant animosities."

One area, however, that the commission's report steers clear of, is the usual practice of tipping drivers. It admits, rather ruefully, that such factors forced it "to conclude that we cannot say with any certainty what an average London taxicab drivers' income really is."

A London cabbie finds something to smile about

£1.5m plan raises hopes of reopening tin mine

By Paul Cheeseright

Hopes of re-opening a tungsten and tin mine on the outskirts of Plymouth rose yesterday with the disclosure that Amax Exploration is to do a feasibility study and testing programme. It will cost £1.5m and last up to [illegible] months.

The site at Hemerdon [illegible] about seven miles from the city could prove to be the biggest UK metals mining project this century.

Amax Exploration, a subsidiary of Amax Inc., the diversified U.S. mining group, is carrying out the work as part of a plan which could earn it 50 per cent of the venture. The mineral rights are held by Hemerdon Mining and Smelting, a Bermuda-registered company backed by Canadian and U.S. funds.

Mr. Carl Schwarzwalder, Hemerdon chairman, said Amax had elected to go ahead with Phase Four of an exploration programme. This involves not only the feasibility study, but building of a pilot plant for bulk metallurgical testing, and financial and marketing studies.

The drilling programme to establish the dimensions of the deposit, which started in November 1976, will be continued.

Last April, Amax said drilling indicated 20m tons of tungsten mineralisation to a depth of 100 metres.

Problems

Various plans have been mooted over the past 10 years for an opencast mine.

A limited operation was supervised by the Government in World War II. The technical problems then of separating the tungsten and tin from the china clay were never satisfactorily solved. This could prove to be the main difficulty facing the HMS-Amax joint venture.

One aim of the pilot plant will be to find out whether laboratory techniques can be used in a commercial operation.

For the past year Amax has had 25 people working at Hemerdon Ball. The deposit is just outside Dartmoor National Park, but is adjacent to a quarry run by English China Clays, which has leased land to the Hemerdon joint venturers.

Hemerdon has had internal difficulties because shares were never issued to private investors who put up money for the Hemerdon exploration in the years up to 1976, when new management took over.

Mr. Schwarzwalder said 90 per cent of the work in verifying entitlement to shares had been completed by Dunwoody, a Toronto company, working for the Supreme Court of Bermuda. It is hoped to apply to the court shortly for a ruling on a share distribution.

With this problem resolved Mr. Schwarzwalder hopes that the U.S. Securities Exchange Commission will agree to over-the counter trading in Hemerdon shares. This might start next year, he said.

San Diego air crash claims may top £20m

By Eric Short

LIABILITY CLAIMS arising from the San Diego air disaster on Monday are likely to be around $40m (£20.3m) according to first official estimates confirming the insurance market's original forecast.

The figure was given yesterday by the aviation division of Alexander Howden, insurance brokers to Pacific Southwest Airlines. It was based on a detailed report by investigators at the scene of the crash. The whole of the liability risk is insured in the London market.

Liability claims are less than would normally be expected because nearly 30 of the 126 passengers aboard the airline's Boeing 727 were either aircrews of the company being ferried to join other aircraft or other employees travelling on passes.

The claims of their representatives will be covered by workers' compensation insurance taken out elsewhere by the airline. However, the other facet of this case is the claims from representatives of those killed or injured on the ground. About 15 or 16 people died, four people have not been traced and some are injured although not seriously.

Mr. Peter Brewis, chief executive of Howden's aviation division, said yesterday that it was hoped to settle the claims out of court. But because of the circumstances of the accident it would be a complex affair with every aspect of responsibility being looked at.

Development council supported

By Our Newcastle Correspondent

THE INFLUENTIAL Northern Regional Council of the Labour Party said yesterday that the North of England Development Council should be allowed to continue in its work.

The announcement, after a private meeting, is seen as criticism of the ruling Labour group on Tyne and Wear County Council, which set off doubts about the future of the agency by voting to withdraw its £83,000 a year grant. Then the newly formed North East County Councils Association recommended that future activities of the development council should be confined to promotion and publicity.

The Labour Party's Northern Council said that until new legislation provided the North East with an enlarged and strengthened Northern Economic Planning Council, the region should speak with one voice.

Mr. David Hughes, the Secretary, said: "This policy was adopted and supported by the whole movement, and we expect all Labour Party members, including those in local government and serving on public bodies, to support that policy.

"The present controversy is damaging and must cease. The NEDC has a role to play and has built up a great deal of expertise which cannot be thrown away."

Compulsory registration for insurance brokers

BY ERIC SHORT

PEOPLE WANTING to trade as insurance brokers will now have to pay a £25 registration fee and a further £15 each year to stay on the register.

The charges are set out in an Order published yesterday by Mr. Stanley Clinton Davis, Under Secretary for Companies, Aviation and Shipping, under the Insurance Brokers (Registration) Act 1977.

The Act makes registration obligatory and sets out the terms for registrations. Some of the procedures to be followed have been set out in the first three published orders.

The first £25 ensures only that the broker is registered. If he intends to practice then a further fee of £50 per firm or corporate body must be paid at the outset and in each successive year.

Another order provides for the establishment and opening of the register. But this represents only the legal requiremnt. The Registration Council set up to administer the Act points out that brokers should not apply for registration until it has published the methods of operation.

The third order sets out a code of conduct. The three principles are that brokers must at all times conduct their business with the utmost good faith and integrity; they must place their clients' interest first, but have due regard to the interest of others and finally, they must not use misleading or extravagant advertisements.

The order gives several examples of "does and don'ts" for the broker. However, the British Insurance Brokers Association will soon publish a code of practice.

One feature in the code is that brokers must disclose to their clients the commission paid on a UK insurance contract.

The Insurance Brokers (Registration) Act 1977 (Commencement No. 2) Order 1978 SI 1978/1393 (C.35).

The Insurance Brokers Registration Council (Code of Conduct) Approval Order 1978, SI 1978/1394.

The Insurance Brokers Registration Council (Registration and Enrolment) Rules Approval Order 1978, SI 1978/1395.

Nestle cuts 4-oz instant coffee price to 99p

BY OUR CONSUMER AFFAIRS CORRESPONDENT

NESTLE, Britain's biggest processor of instant coffee, yesterday finally pushed the price of its Nescafé brand below £1 for 4 ounces. This brings it in line with the cuts in wholesale prices previously announced by General Foods, for its Maxwell House brand, and Brooke Bond Oxo for its Brazilian blend brand.

From to-morrow the price of a 4 ounce Nestlé jar of instant coffee should be 99p instead of £1 09 as at present. The supermarket chains, however, may not sell at this price for a few weeks, depending on how much stock they have to sell at the previous higher price.

So far, only International Stores has announced that it is selling Nescafé at 99p, but that is as part of its promotional campaign after its decision earlier this month to stop giving trading stamps.

Nestlé is also cutting wholesale prices for its Fine Blend, Nescore, and Elevenses brands. It said yesterday that it was particularly keen to increase sales through price cuts for its 8-ounce and 12-ounce jars.

The decision to bring prices down was taken by Nestlé only after it felt more confident about the stability of future world coffee bean prices. Although it is still worried about the short-term prospect because of the frost damage to crops in Brazil and political uncertainties in other producing countries, it still believes the long-term outlook is good.

Nestlé says coffee consumption in Britain is recovering fast after a 21 per cent fall last year because of consumer resistance to high prices. It reports that sales getting back to the record levels of 1975 and if present trends continued it believed that the market should be worth about £250m by the end of the year. This means consumers will again be drinking a million cups of coffee a day.

Visa plans own travellers' cheques

By Michael Blanden

VISA INTERNATIONAL, the credit card organisation, expects to go ahead with its plan to introduce its own travellers' cheques.

The proposal has been authorised by the Visa Board at a meeting in Lausanne. Mr. Dee W. Hock, Visa president, said: "the ability to offer Visa travellers' cheques in an unlimited number of currencies will be a significant factor in opening previously untapped markets, as well as increasing competition in those which exist now."

Commitment

The plan is still subject to a minimum level of commitment by member banks. This is the the issue of cheques worth at least $1.25bn during the second year of the programme. If a sufficient level of commitment is not reached the programme will be cancelled.

The plan was announced earlier this year, after the announcement of similar proposals by the rival Master Charge organisation. Some larger members of Visa have expressed reservations, and Bank of America has specifically dissociated itself from the proposal.

Responded

However, Visa said yesterday that there was every indication that the basic commitment would be exceeded. The group reported that 520 institutions had responded to the July announcement.

Visa intends to send information early next month to all members and other financial institutions eligible for membership which have expressed an interest in the programme.

Sales of the new cheques are expected to start in the second quarter of next year.

Plaid Cymru sets out terms for supporting Callaghan

BY ROBIN REEVES, WELSH CORRESPONDENT

PLAID CYMRU today unveils a package of measures it wants included in the Queen's Speech, in exchange for helping sustain Mr. Callaghan's minority government for a further Parliamentary session.

Priority is given to a £100m programme to reduce Welsh unemployment, now running at about 9 per cent.

The party wants increased allocations for the Welsh Development Agency to step up investment in manufacturing industry; accelerated house building, particularly of old age pensioners' bungalows; and a speed-up in road construction in Wales.

But the Welsh Nationalists' "shopping list" also calls for government action on a number of other issues. Published in the form of a memorandum from the party's national executive to the Prime Minister and other members of the Government, it includes:

- A compensation scheme for disabled ex-quarrymen and others suffering from industrial lung diseases.
- The strengthening of leasehold reform through a £400 ceiling on the freehold purchase price to leasehold occupiers.
- The establishment of a Welsh land bank to step up investment in agriculture.
- The raising of the VAT threshold to £50,000 and the transfer of the burden of redundancy payments on small businesses to the government.
- The immediate earmarking of £500,000 for the training of Welsh teachers and a start on the fourth Welsh language television channel in 1980 instead of 1982.
- Strengthening of the powers and operating area of the Development Board for Rural Wales.

No mention is made of devolution. But now that the Conservatives are themselves committed to holding referendums, almost certainly on March 22 next year, if in office, Plaid Cymru has nothing to gain by pursuing the issue. However, given the weight of opinion at present against a Welsh Assembly, the party would obviously prefer a Labour Prime Minister campaigning for devolution rather than a Conservative one who was against.

In postponing the general election, Mr. Callaghan was clearly counting on being able to satisfy the Welsh Nationalists.

Plaid Cymru has ruled out a formal pact but in the last four years its three MPs have proved more valuable voting allies for the Government than other minority parties.

Go-ahead for Welsh factories

BY ROBIN REEVES

THE WELSH Development Agency yesterday announced the go-ahead for a big programme of advance factory construction in the Ebbw Vale area of Blaenau, Gwent.

About £2m is to be spent on building 16 advance factories to try to attract new industry. It follows the shutdown of steelmaking by British Steel at Ebbw Vale earlier this year, with the loss of nearly 2,000 jobs.

The biggest contract is for two 50,000 sq ft factories on the 200-acre Rassau industrial estate, now being developed by the agency on a hillside above the town. This contract, worth just over £1m, has been awarded to R. M. Douglas Construction of Swansea. Work is due to start next week and the new units should be completed in about a year.

A further £445,000 contract has been won by Tarmac Construction of Chepstow to build eight 5,000 sq ft factories on the same site. They are due to be completed by next May.

On the next door Tarfarnau Bach industrial estate, Holland Hannen and Cubitts are to build another six 5,000 sq ft units under a £833,600 contract. These should be ready by next April.

The agency has been able to accelerate the development of the Rassau estate because of the allocation of special Government funds of £12m in the aftermath of the British Steel shutdown.

Work is already under way on building six 25,000 sq ft factories and six 10,000 sq ft units at the Rassau site at a cost of £2.7m.

Jewel sale brings £328,263

SOTHEBY'S HELD a jewels sale yesterday, which totalled £328,263 with 5 per cent bought in. London dealers were active buyers. Moussaieff paid £19,000 for a sapphire and diamond collar and Music £13,000 for an emerald and diamond dress ring and £9,300 for a diamond mounted as a ring. Another diamond solitaire mounted as a ring realised £11,000.

At Sotheby's Belgravia, silver totalled £42,455. Mecus paid £2,600 for a James Deakin and Sons canteen of cutlery in a cabinet, and Bloomstein £1,900

SALEROOM

BY ANTONY THORNCROFT

for a Carrington and Company Epergne of 1900 in mid-18th Century style.

At Phillips, in a sale of art nouveau and decorative art, a rare Argy-Rousseau Pate-de-Crystal figure sold for £4,500 to the London dealer Arwas. A Tiffany and Company enamelled silver vase made £850 to another London dealer, Martins-Forrest.

A tapering Dutch beaker made in Groningen in 1707, sold for £9,213 in New York on Wednesday. The maker was probably Helprich Ritsema, and the purchaser Prenseller, the Amsterdam dealer. It was the top price in a sale of continental, English and American silver which totalled £204,454.

A rare Queen Anne ecuelle and cover by Pierre Platel of London, probably made in 1705, sold to the New York dealer Shrubsole at £7,258. Normally presented to mothers in France after childbirth, the design was introduced into England by Huguenot goldsmiths. The example sold yesterday is one of the few known to have survived outside France.

A sale of English furniture at Christie's in London yesterday made £53,638, with a late George III mahogany secretaire breakfront bookcase, selling for £2,600. It was bought by the German dealer, Kessler.

The first course by Christie's offering practical training in the fine and decorative arts of the Western world started yesterday in Old Brompton Road, next door to Christie's, South Kensington.

Broads job turned down

THE MAN chosen from 1,500 applicants to be the first principal officer of the new Broads Authority has turned down the job. Mr. Peter Schofield, 45, South of England Regional Officer for the Nature Conservancy Council, was picked for the job on Monday. But he has turned down the post because he felt it would be more political than he had at first thought.

The selection committee will meet again on Monday to decide on the next step. The authority has been formed to safeguard the future of East Anglia's waterways system.

OBITUARY

Mr. Harry Brooks

MR. HARRY BROOKS, senior, founder of New Day Furnishing Stores, has died in Manchester aged 79. He sold his controlling interest in New Day several years ago, and later moved into property. He leaves, among other interests, a 5,500 acres estate, Peover Hall, in Cheshire.

Truman to market new light ale next week

BY PAUL TAYLOR

TRUMAN, the London-based brewery group, is to launch a new bottled and canned light ale on October 1 backed by a sales promotion designed to raise money for the British Olympic team.

The new beer, which will be marketed under the existing brand name, Truman Light Ale, has cost about £50,000 to develop and is aimed at halting the decline in bottled beer sales.

The beer is claimed by the manufacturer to be an improved product and is packaged for the first time in 16 ounce cans. These cans are likely to be the first step in an attempt by the company to strengthen its home beer sales.

The sales promotion, which lasts until the end of December, is based on a £15,000 customer prize competition.

Customers who do not win prizes will be able to help the UK Olympic team by placing losing competition tickets in counter collection boxes. Truman will then convert the tickets into a cash donation to the Olympic Fund.

Yesterday, the fund was launched with a £1,500 donation handed to Sir Denis Follows, chairman of the British Olympic Association.

Irish Sea power link sought by council

By Our Belfast Correspondent

THE NORTHERN IRELAND Economic Council has urged the Government to consider merging the electricity supply industry in Ulster with the industry in Great Britain, and to build a £60m power link under the Irish Sea.

The council said that the Government's main objective should be to get prices down to a level comparable to the rest of the United Kingdom. Domestic electricity costs are between 20 and 30 per cent higher in Ulster, and gas prices up to three times those in Britain.

Electricity generating capacity is 80 per cent reliant on oil. Because of this, and the small scale of operations, the council said that the province's interest might best be served by some form of amalgamation with the supply industry in Great Britain.

This could mean the incorporation of the Northern Ireland electricity service into the British system, or the lesser step of a financial arrangement.

Brewery finance director resigns

FINANCIAL TIMES REPORTER

MR. PETER MOLONY has resigned as finance director of Scottish and Newcastle Breweries and is to be replaced by Mr. Christopher Chalmers, presently Courtaulds group financial director.

Mr. Molony who will leave Scottish and Newcastle at the end of the year, joined the company in 1975 having been the Post Office's youngest director of finance.

His resignation follows other recent boardroom changes. Within the past year Mr. Robert King joined the company from Metal Box as chief executive and Dr. Bernard Kilkenny joined the board from Allied Breweries.

Mr Peter Balfour, company chairman, said that Mr. Molony had expressed a wish to leave the company "earlier this year" and that the parting was "perfectly amicable." He denied that there had been any boardroom personality clash.

Mr. A. M. Ramsey has been appointed successor to Mr. Chalmers at Courtaulds.

Doctors face 75% rise in indemnity costs

FINANCIAL TIMES REPORTER

DOCTORS WILL have to meet a 75 per cent rise in their professional indemnity costs from January 1, under schemes completed by their two mutual-funding societies.

The Medical Defence Union (85,000 members) and the Medical Protection Society (70,000 members), have decided to raise members' subscriptions from £40 to £70 a year to combat inflation in court awards and to provide further reserves.

This comes after a rise in personal injury awards in the last year, including nearly £250,000 for a woman psychiatrist who suffered brain-damage after a minor operation and £112,500 for a man in his 50s who was also left crippled after an anaesthetic.

[جريدة المشرق]

HOME NEWS

Marginal increase in coal output

By Kevin Done, Energy Correspondent

OUTPUT OF coal is finally showing a marginal increase nine months after the National Coal Board introduced its miners' productivity scheme.

According to figures published by the Department of Energy, ... tonnes of coal were produced in the three months from June to August, about 1 per cent more than in the same period last year.

The rise reflects small increases in both deep-mined and open-cast production.

Coal demand between June and August fell by 3.1 per cent compared with the same three months last year. More coal was used in power stations but coke oven use fell by 18.1 per cent and sales to other industries fell by 15 per cent.

Another 5,000 miners left the industry during August, more than 3,000 of them under the Board's early retirement scheme.

Crucial role

Mr. Alex Eadie, Parliamentary Under-Secretary for Energy, said yesterday that coal would play a crucial role in matching energy supply and demand during the 1980s.

Expansion plans were based, he said, on the Coal Board's demand estimate for the year 2000 of 170m tonnes.

"The achievement of that level of production would mean the equivalent of 30 new 2m-tonnes-per-year pits being brought into production between now and the end of the century."

Consumption of oil products increased by 5.5 per cent from June to August compared with the same period last year. Petrol deliveries rose sharply by 10.3 per cent and there was also increased demand for other transport fuels such as aviation and diesel fuel.

Total gas consumed in the period was 2.6 per cent down on last year because of reduced supplies to power stations.

Electricity demand was up by ... per cent in the months from May to July, chiefly because of the colder weather.

Coal Board proposes £130m 'super-pit'

BY RHYS DAVID

PLANS FOR a £130m "super-pit" producing more than 2m tons of coal a year and employing about 1,300 people have been submitted by the National Coal Board to local authorities in Staffordshire.

The mine, known as the Park project, will be on 216 acres east of Stafford, and is expected to take eight years to complete for use.

The project, full details of which are now disclosed, is one of the large mines planned, including Selby and the Vale of Belvoir, from which the Coal Board hopes to derive much of its output for the rest of the century and well into the next.

Coal from this mine will be of a quality used in industrial and domestic appliances and power stations. Its chlorine content, 0.6 per cent, is relatively high. But the problems this can cause in power-station boilers can be solved at cost, the Board claims.

The proposals to the planning authorities are for sinking two vertical shafts about 900 yards deep between the villages of Hopton and Salt to up to ten workable seams. An annual output of 2.15m tons is planned, with productivity level above three times the present national average.

The Board's plans envisage use of about 76 acres for buildings and other developments; 79 acres for disposal of mining waste; and 42 for a branch railway to link the colliery with the main Stoke-Euston line.

A further 19 acres would be planted with trees.

A statement by the Board supporting the planning application says that attention will be given to reducing the environmental impact of the development architecturally, and to blending the outside of the pit and tipping area with the surrounding countryside.

Cannock switch

About 300,000 tons of waste to be produced each year will be tipped in a concealed valley which will be restored and contoured to blend with the landscape.

Coal will leave the site by rail on "merry-go-round" trains of up to 60 permanently coupled wagons.

The labour force of about 1,325 men is expected to be reached after an eight-year build-up. Up to 600 men are likely to be available for phased redeployment to the mine from West Cannock 5s colliery as coal reserves there become exhausted. This should help provide a nucleus of skilled workers.

Up to 400 new houses may be required. The Board is not planning to create its own mining villages.

"We consider that employees should be integrated with the various local communities," it said.

Most of the area covered by the application is open country, but in some cases mining will extend under important surface developments. The board has taken advice from the geological consultants Wardell, but said it had not accepted its recommendations "completely in all instances."

Wardell recommended that coal remain unworked under premises owned by the General Electric Company to support these works.

"The Board consider that by the adoption of a carefully-designed system of pillar working, some of the coal could be extracted in such a way as to cause little or no interference with the works," said the Board.

Chemists supplier attacks pricing

By David Churchill, Consumer Affairs Correspondent

A LEADING wholesaler of chemists' supplies said yesterday that it was reluctantly going to abandon the spirit of the resale price maintenance regulations for the pharmaceutical trade because of the "cynical attitude" of some other wholesalers.

Sir Hugh Linstead, chairman of Macarthys Pharmaceuticals, told the company's annual meeting that if this decision had not been taken the group would have been forced to close some distribution depots with the loss of many jobs.

Sir Hugh said that resale price maintenance on prescription medicines had been declared in the public interest by the Restrictive Practices Court in 1971.

The company had advocated this before the court and had said that the pharmacy trade would be harmed if the practice were abolished.

Exploited

But a price-controlled market could be extremely profitable in the short term for any company prepared to depart from the spirit, if not the letter, of RPM.

Over the past few years "certain wholesalers have seen the possibilities of this situation, and have exploited it quite cynically with no regard to the long-term results it would inevitably produce."

Such exploitation took the form of extended credit or discounts for prompt payment of bills, and selling goods not subject to RPM as a "loss-leader" to attract the profitable fixed-price sales of prescription medicines.

Retail chemists, whose own profitability had been severely squeezed over the past few years, were only too pleased to accept such discounts in the short-term.

Sir Hugh said the company had hoped that the manufacturers would have acted to stop the circumvention of RPM.

"But it has not happened and, as a result, things have deteriorated quite rapidly in every part of the country in which we operate."

British Airways £7m computer order goes to Amdahl

BY LYNTON McLAIN

BRITISH AIRWAYS, which has used IBM computers for 25 years, turned its back on the company yesterday with the announcement of a £7m order for computers from the U.S. Amdahl Corporation.

The Amdahl computers will cost the airline £1m less than any comparable equipment.

The contract is a coup in the computer world. It is the largest single order placed with Amdahl outside the U.S. and is the first switch of allegiance to Amdahl by a British nationalised industry.

The move is certain to strengthen the eight-year-old computer company's foothold in Europe, and comes after an order for the same type of computer placed this year by Ford of Britain.

Britain's biggest computer company, ICL did not tender for the British Airways order. It said last night it had not done so because the airline wanted the new equipment to be compatible with existing IBM computers and no ICL computers were, as a deliberate design and marketing policy.

The airline has ordered two Amdahl 470 V/6 and two 470 V/7 computers.

The two V/6 computers from Amdahl will replace IBM 360 models, which will probably be sold. They will be installed at the airline's West London computer centre in December.

The V/7 computers will be installed at Boadicea House, Heathrow Airport, London, next February and March. They will take over the work of IBM 370 units, which includes fare quotation, ticketing, hotel reservation, departure control and flight planning.

The IBM computers will handle batch work now processed on the other IBM computers.

IBM said that it had tendered for the British Airways order with its 30-33 and 30-32 computer systems.

Enterprise Board puts up £3m to aid Sinclair

By John Lloyd

THE NATIONAL Enterprise Board has increased its investment in Sinclair Radionics, the Cambridgeshire electronics company, to £3.15m in the form of equity and loans.

The only official announcement of the Enterprise Board's interest in the company is contained in its report for 1977-78, where it notes that the Board paid £650,000 for 43 per cent of the equity.

However, in August last year, it increased that holding to 73.3 per cent with its purchase of 1.5m £1 non-voting preference shares. At the same time, it put up a loan facility of £1m.

About half of the loan was taken up by the company before the end of last year, with the rest being taken up, bringing the total committed to £3.15m over the last 12 months.

Further expansion of the company—which is launching a UK-only version of its pocket television, the microvision, in the next few months—will probably depend on extra loans from the Enterprise Board, or a further purchase of equity.

The company is considering dropping its dwindling share in the cheap calculator market to concentrate on executive and scientific models. Demand for the microvision has slackened over the summer period but both the company's chairman, Mr. Clive Sinclair, and Mr. Nicolas Barber, the Enterprise Board's divisional officer in charge of Sinclair, are optimistic about its future.

Sinclair's problems, Page 11

Factoring move

FACTORING AND invoice discounting services of Barclays Bank are to be consolidated from next week under a new subsidiary company, Barclays Factoring, with headquarters in Basingstoke, Hampshire. Barclays' factoring turnover will increase from £60m to about £100m in the current year.

Wool scourers' appeal rejected

BY A TEXTILES CORRESPONDENT

THE GOVERNMENT has rejected an appeal by the Yorkshire wool scouring industry for a £750,000 subsidiary to bring down the cost of water treatment to a level comparable with that paid by European competitors.

Mr. Bob Cryer, a minister at the Department of Industry has written to the chairman of a working party set up by his department and the Department of the Environment, rejecting another proposal for Government assistance towards re-locating the industry on coastal sites, where effluent charges would be lower. Instead, he suggests greater use of assistance available under the Industry Act 1973 to modernise facilities.

The working party was set up last year to investigate the industry's complaint that its competitive position was being undermined because of stringent and costly effluent treatment regulations in the UK, compared with wool textile areas on the continent.

The industry blames higher charges, introduced after water reorganisation in the UK, for the growth in imports of wool tops, now taking 14 per cent of the market compared with an average of only 1.5 per cent over the past 10 years.

The Government found it difficult to meet the subsidy request because of efforts by the European Commission to eliminate state aids offered by various Common Market members to their industries.

Mr. Cryer said in his reply that the application for a £750,000 annual subvention would create grave difficulties both in the EEC and domestically.

The Government has also told the industry that costs of effluent treatment on coastal sites were unlikely to be negligible in the future and for this reason assistance towards re-location could not be given.

Mr. Cryer has suggested, instead, that the industry should look at ways of modernising its scouring process to minimise charges. Assistance would be available under the Industry Act for viable projects.

"A new development in technique for which substantial reductions in water and effluent charges are claimed, is now in the trial stage.

"This development, if successful, will assist the modernisation of the industry, but was not considered by the working party," he said.

Kirkby co-operative waits for rescue

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE FUTURE of the Kirkby Manufacturing and Engineering workers' co-operative on Merseyside hung in the balance last night after ministers failed to make a decision on whether to back a plan to rescue the enterprise.

Contrary to expectations in Whitehall, the subject was not on the agenda for yesterday's weekly meeting of the Cabinet which last month rejected a plea for £2.9m.

Fresh proposals have been worked out after a meeting last week between Mr. Alan Williams, Minister of State for Industry, and leaders of the co-operative which is facing a cash crisis.

These proposals are thought to need short-term Government aid of £200,000 and will need approval by senior Cabinet ministers before they are announced.

Hotel complex

A 150-bedroom hotel complex is planned for the wooded grounds of 200-year-old Shotton Hall, Peterlee, County Durham. The scheme, costing about £2½m, will include a swimming pool, sauna, squash courts, shops, banqueting and conference facilities.

Retailers seek stronger trade law penalties

RETAILERS HAVE suggested to the Government that criminal penalties should be imposed on companies which deliberately adopt restrictive practices such as collusive tendering or who knowingly fail to register restrictive practices.

The proposal was made yesterday by the Retail Consortium, representing more than 90 per cent of Britain's retailers, in evidence to a Whitehall committee reviewing restrictive practices legislation.

The evidence said that retailers were unhappy with the present system of enforcement which did not sufficiently penalise companies which broke the regulations. Otherwise, the retailers did not want any major changes in restrictive practices law as suggested by some manufacturers.

Mobile banks at Shelton works pay-out

MOBILE BANKS were set up yesterday at Shelton iron and steel works, Stoke on Trent, where 900 manual workers received "golden handshakes" of up to £16,000. Average payouts were between £5,000 and £7,000.

Lloyds and National Westminster were among the banks represented, as well as building societies such as the Halifax and the Britannia. They set up caravans at the plant after it was discovered that nearly 90 per cent of the men, who were being paid by cheque for security reasons, did not have a bank account.

Commons' powers criticised

BY RUPERT CORNWELL

NEW COMPLAINTS about the inadequacy of Commons' powers and procedures to scrutinise Community rulings have been voiced by the all-party select committee on EEC legislation.

A report issued yesterday by the committee criticised Mr. Michael Foot, Leader of the Commons and in charge of the business debated in the House, for not tabling a motion setting down a formal resolution that Common Market documents would be properly discussed.

Mr. Foot has been under strong pressure from anti-market Labour Left-wingers for just such a move. But embarrassment at another public airing of the party's enduring divisions on the EEC meant that nothing was done last session, in spite of a relatively uncluttered parliamentary programme.

In particular, MPs singled out the lack of sufficient examination of Brussels decisions in the steel sector, where the commission has wide-ranging powers.

They wrote: "The growing crisis in the steel industry in the past months, which has led to a number of fast-moving proposals for financial support and price and market regulation, has shown up failings in the arrangements for the scrutiny of European Coal and Steel Community instruments."

The commission is taken to task for its self-imposed rule that evidence should not be submitted formally to national parliamentary committees.

This condition should be scrapped, instead of disagreement between Brussels and national parliaments being "pursued through the Press."

The MPs say that any substantial delegation of power from the Council of Ministers to the commission would further weaken the effectiveness of present scrutiny procedures.

The report also questions the legal basis, under the various EEC Treaties, of some proposals published by Brussels.

The opinion of the Government department concerned on this matter should automatically be set out in the Explanatory Memorandum presented to parliament.

Nuclear proliferation threat

BY DAVID FISHLOCK, SCIENCE EDITOR

A WARNING that the reaction of developing countries could undermine and even destroy present attempts by the nuclear exporting nations to control the proliferation of nuclear weapons was sounded in London yesterday by Dr. Sigvard Eklund, director-general of the International Atomic Energy Agency.

Dr. Eklund told the Anglo-U.S. nuclear fuel cycle meeting that he was deeply worried by the position adopted by developing nations at the general conference of the agency in Vienna last week.

Developing countries drew no distinction between the new U.S. non-proliferation law, which tries to outlaw plutonium altogether, and the guidelines of the 15-nation Nuclear Suppliers' Group, which seek to place tighter restrictions on the export of "sensitive" nuclear technology for reprocessing and uranium enrichment.

Moreover, developing countries which had signed the Non-Proliferation Treaty were aligning themselves with countries which refused to sign it in their reaction to the new controls.

Their priorities were plain from the suggestion that nations which unilaterally changed supply contracts into which they had entered—as the U.S. has done—should be subjected to international sanctions no less than nations which breached international nuclear safeguards.

"All this turmoil is not, of course, lost on opponents of nuclear power, who see the present disarray as further proof of the decline of the industry, and of the risk of proliferation which they claim that it entails."

Dr. Eklund acknowledged that the separation of plutonium in reprocessing plants posed a complicated problem. But he raised a laugh by quoting a cynical French suggestion that the easiest way to cope with plutonium would be to distribute it among the nuclear weapon states, "because as soon as it has been transformed into bombs nobody cares about it any longer."

The nuclear power industry was in a paradoxical situation today, he said. The rising price of oil and other fuels was making nuclear plants "even more economic." Operating reactors had demonstrated unparalleled safety records and shown good reliability. The environmental impact was much less than that of conventional power stations.

A U.S Department of Energy task force led by Mr. William Voigt has been visiting West Germany and Holland to try to sign up new enrichment contracts with utilities, and has met the Euratom uranium supply agency in London this week. Another team is visiting Japan, Taiwan and South Korea.

ENERGY REVIEW

BY KEVIN DONE

Some clouds on BNOC's widening horizon

THE RECENT appointment of Lord Croham, formerly Sir Douglas Allen, as a part-time deputy chairman of the British National Oil Corporation has increased rather than diminished the uncertainty about the future leadership of BNOC.

Lord Kearton, the corporation's chairman, reaches the end of his three-year appointment on December 31, and as yet no likely successor has begun to emerge. Lord Kearton has already made it clear to Mr. Anthony Wedgwood Benn, the Energy Secretary, that he would not be keen to take on another extended period as chairman, but it is probable that he will remain for some months while the Government continues the hunt for someone to fill the gap.

The Government's job has not been made easier by the fact that the decision to postpone a General Election is likely to prolong well into next year uncertainty over exactly what role BNOC will be playing in the 1980s.

The Conservative Party has been singularly unsuccessful in stirring political controversy in the field of energy. On many issues it has found itself either espousing what amounts to a bipartisan policy—as on the debate about nuclear power or the future of the coal industry—or it has become lost in the welter of technical detail that abounds in energy debates.

Only in the shape of the British National Oil Corporation has it found a subject on which it can attack existing Government policy. Mr. Tom King, the Tory energy spokesman, has promised that a Conservative Government would review closely the functions of BNOC and he has not ruled out the possibility that the corporation could actually be abolished.

Such drastic action is unlikely, however, and Mr. King is quick to point out that the Tories still have an "entirely open mind" on the matter. Much of their policy, he says, could not be decided until the party was in office in any case. The only point that emerges clearly is that he is anxious to remove from BNOC what the Tories like to call its "regulatory functions." But even this aspect has not been spelled out in detail.

In a short space of time BNOC's interests in oil and gas exploration in UK waters have taken on a very comprehensive nature and there is potential for a real conflict of interests. How should it handle, for instance, information on companies' pricing of crude gained from its role on all operating committees, when it is in competition with those same companies? Equally, through such committees it could have access to seismic information for areas adjacent to hitherto unlicensed blocks. BNOC maintains that its activities are well enough segregated to ensure that commercial advantage is not taken over the private sector. But the assurance is not enough to still the doubts of either the Conservative Party or other oil companies.

Such doubts over BNOC's future make it unlikely that candidates of the necessary stature will be attracted to apply for the jobs at the very top of the corporation, at least until an election has cleared the air. Even then, suitable candidates may be thin on the ground. Lord Kearton is blunt on the matter: "The number of very able people in this industry is astonishingly few."

BNOC EQUITY INTERESTS IN PROBABLE FIELD DEVELOPMENTS

Field	Operator	Estimates of: Recoverable reserves (million barrels)	Year of first production	BNOC equity (%)
BRAE	Marathon	250*	1982/83	20
HUTTON	Conoco	260†	?	20
BLOCK 30/176	BNOC	up to 400‡	?	51

* Marathon estimate for southern portion of Brae. † Wood Mackenzie estimate. ‡ Industry estimate.

Oil company shares of proven UK oil fields	
United States	46 per cent
UK state	7 per cent
UK private sector	31 per cent
Netherlands	11 per cent*
Canada	3 per cent†
West Germany and Norway	2 per cent

* Including Dutch interest in Royal Dutch/Shell Group
† Including Thomson as Canadian company

Nationality of licensees on UK Continental Shelf*	
United States companies	46 per cent
UK state—British National Oil Corporation and British Gas	21 per cent
UK private sector companies	19 per cent
Other nationalities	14 per cent

* Up to fifth round of offshore licensing

For the first three years of its life the corporation has been fortunate in having someone of the dynamism of Lord Kearton—at 68 his energy appears undiminished—to create, and then to protect, its interests. When he was appointed it was as chairman only. In fact, for three years he has fulfilled the dual functions of chairman and chief executive (and for that matter has also managed directly the corporation's public relations).

At least for the future chief executive (or full-time deputy chairman as the Department of Energy's advertisements express it) it is clear that the Government is looking for someone from within the oil industry. This is why Lord Croham's part-time appointment has done little to solve BNOC's leadership problems.

Whoever eventually takes over BNOC will inherit an organisation that has carved out for itself in a very short time an impressive presence in the British oil industry and, increasingly, in the international industry as well. Most of the debate about the State oil corporation focuses not surprisingly on the growing scope it is being given by successive licensing round to influence directly all North Sea activities through majority state participation in all newly allocated blocks.

But this controversial part of BNOC's affairs tends to overshadow the other major role it has taken on in the last two-and-a-half years as an independent oil company in its own right. In a short time it has emerged as an operator in the North Sea for which even the established giants of the international industry have had to admit a grudging respect.

BNOC is still not three years old—it came into being on January 1, 1976—but it is well along the road of putting together an organisation and management structure capable of meeting the demands not only of majority State participation but also of being a North Sea operator with equity interests in five fields and of becoming a significant crude oil trade in even world terms.

By the end of the year the corporation's staff will have grown to more than 1,000, and it will not be too far off what Lord Kearton sees as the eventual operating size of 1,300 to 1,350. The last personnel report shows BNOC with a staff at the end of August of 971. At that date 61 more recruits had taken up job offers with BNOC to start before the end of the year. The staff has grown rapidly since the end of 1976, when it stood at 388, and the end of 1977, when it totalled 745.

Apart from uncertainty as to BNOC's future role, the task of recruitment has not been helped by the politically expedient decision that was taken to site BNOC's headquarters in Glasgow rather than in London. With the staffs it inherited from Burmah and the National Coal Board—who run the State interests in fields such as Thistle and Ninian—firmly based in London, the move appeared for many months to be a hollow one.

But the balance is being redressed. At present, 405 of BNOC's total staff are based in Glasgow compared with only 160 a year ago. By comparison, the size of the London staff has barely changed. A year ago it was 300, but in the past 12 months this has grown only to about 320. The balance of the staff is based at BNOC's third location, in Aberdeen, from where much of the operational work is carried out.

The transfer to Glasgow has been difficult, Lord Kearton readily admits, because of commitments that had to be met to London-based staff working on such inherited projects as Thistle and Ninian. But he says that any future major field projects will be carried out from Glasgow.

The mixture of interests thrown together in 1975 and 1976 to give BNOC an operational role in the North Sea—chiefly through the acquisitions from Burmah and the National Coal Board—was such that it has taken many months for a rational management structure to emerge. To be successful, the process has had to be one of evolution rather than revolution, says the corporation.

For this reason, formal management structure has been kept to a minimum and management authority has been delegated to individual managers in order to retain flexibility. Gradually, the structure is being changed so that the originally separate management groups can be brought together and so that genuinely corporate capabilities can be developed. At the same time, the corporation is creating a divisional framework for meeting management requirements in areas such as commercial oil trading, the growing offshore equity interests, and the various tasks involved in participation.

Experience

Reporting immediately to Lord Kearton is a group of five managing directors. Based in London are such functions as crude trading, Government relations, corporate development, procurement and project management for fields such as Ninian and Thistle. Many of the financial functions are based in Glasgow along with responsibility for developing downstream relations with BP, Shell and Esso, and the unit for handling BNOC's equity interests in licences where it is not the operator.

Not surprisingly, such a necessarily complicated organisation has not been without its problems and other oil companies have not been slow to lay the blame for various delays at the door of BNOC.

Many of BNOC's staff have been drawn from existing oil companies. "We have people in various departments who have had wide experience in different oil companies, in the way different oil companies do things, and they have had experience all over the world," says Lord Kearton. "We have now an almost unique synthesis of experience drawn from a very wide field of action."

So far, BNOC has been hard pressed to consolidate all its existing activities as well as take on new responsibilities as and when the Government thinks fit. But not content with its UK role, it is now embarking on a series of exchanges with other national oil companies which could herald the start of a new international role.

It has received four separate propositions for the exchange of staff from oil-producing countries such as Venezuela and two such schemes are well-advanced. By the beginning of next year there could be BNOC people working in Venezuela and other overseas countries. There is also scope for co-operation with countries such as Mexico, Brazil and Argentina.

But what is BNOCs place in overseas oil operations? For the moment Lord Kearton answers that: "Oil is international: you will not keep good young people if you cannot offer them foreign travel and absorption. BNOC wants to get people with wide experience in other areas and we will only keep them by giving them experience elsewhere." Having started to match the oil majors in their operations in the North Sea, how great are BNOC's future ambitions? It is not ruled out by its remit from going at some point into overseas exploration. And Lord Kearton adds: "You cannot be parochial and be effective. One of the great strengths of the multinationals is that they are multinational."

LABOUR NEWS

Buckton warns on risk of pay 'battlefield'

BY NICK GARNETT, LABOUR STAFF

A LAST MINUTE appeal to the Government to remove the rigidity of the 5 per cent pay policy was made yesterday by Mr. Ray Buckton, general secretary of the train drivers' union, who warned that the consequences of the policy would be catastrophic.

The Government had severely misjudged the mood of rank-and-file trade unionists and the confrontation that would result from a tight adherence to 5 per cent would be far more costly than the effects of a less rigid approach to pay, he declared.

Speaking at a conference of the British Institute of Management, Mr. Buckton said that the Government, for the sake of the country and the Labour Party, had to heed the warnings of trade unions on the need for flexibility in pay deals.

Sir Frederick Catherwood, chairman of the British Overseas Trade Board, also warned at the same conference that the Government was in for a very rude awakening during Phase Four.

Enforcement of crude norms could be done "for one year and two years and, with sanctions and a miracle, even three years. But when you go into the fourth year especially as people did not expect a fourth year and expected an election, then you are in dead trouble."

In his speech, Mr. Buckton said it was not too late for the Government to change course. There would be no loss of face if it did. A decision to ignore the unions' warnings would make a "battlefield" of industrial relations.

The Ford strike, he added, was only the first indication of what might follow. The man on the shop floor had made it quite clear to union leaders that another year of tight incomes policy would not be tolerated. This was a particular problem for skilled workers.

Mr Buckton said he was not calling for the scrapping of the pay guidelines. But unions had to be able to negotiate with a greater degree of flexibility and they would do this responsibly.

He also warned that there might be less scope this year for arranging genuine self-financing productivity deals. Many workers in the public sector felt they had been treated less favourably than private sector workers because of the operation of productivity deals in private industry.

Skilled workers' differentials 'better under Phase Three'

BY NICK GARNETT, LABOUR STAFF

MANY companies have been able to repair some of the damage done to pay differentials for skilled manual workers over the past year, the British Institute of Management conference was told yesterday.

Mr. Anthony Frodsham, director general of the Engineering Employers' Federation, said a survey of 300 engineering factories in the north-west showed that during the more flexible Phase Three, there was a slight improvement in the differential of skilled manual earnings over unskilled—from under 26 per cent to more than 28.5 per cent.

Although this was a modest increase compared to the 45 per cent differential 10 years ago, the federation believes this reflected a general improvement throughout engineering.

Mr. Frodsham said that incomes policies were needed because the unions could not be trusted to exercise their strength responsibly.

"Our attitude to these more or less rigid pay policies is that we have to acquiesce to them for the time being, but we have no faith in them as a long-term feature."

Mr. Frodsham said that under Phase Three there appeared to have been only a modest resort to self-financing productivity deals.

Many companies, however, had agreed during Phase Three to explore the possibility of productivity deals. He estimated that half of the most significant engineering companies in the Midlands had made or were planning productivity arrangements.

The majority of deals seemed genuine and sucessful, Mr. Frodsham said.

"With luck, they may come to be seen as the starting point for a more generally significant relationship between pay and company performance, for a stronger employee appreciation of the need for improved company performance, and for a more committee acceptance of the wealth-creating role of industry."

More companies will need to arrange productivity deals under Phase Four than in the previous wage round. Mr. Frodsham warned that devising new productivity deals, mainly to justify paying more than guidelines allowed, could lead to discriminatory returns or bogus arrangements.

Mr. Alex Ferry, general secretary of the Confederation of Shipbuilding and Engineering Unions, told the conference that workers were tired of being singled out to take the brunt of management cost-saving exercises.

Radical technological changes introduced in a sluggish economy could result in extremely damaging disruption to workers and management.

Mr. Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff, said a TUC-based body, with some Government involvement, was needed to decide on the merit of special cases during periods of incomes policy.

Walk-out at Rolls-Royce

ROLLS-ROYCE research and development engineers staged a walk-out yesterday in protest at lack of progress on a pay claim.

The 300 engineers at Derby, all members of the Association of Scientific, Technical and Managerial Staffs, have been operating an overtime ban in support of a claim for pay parity with designers represented by the TASS section of the Engineers.

Vauxhall finances may limit offer, unions believe

BY OUR LABOUR STAFF

MEMBERS OF the Vauxhall union negotiating committee, which has rejected a Phase Four pay offer, privately believe that the company's financial position will not allow it to offer much more than the Government's 5 per cent pay rise limit.

Vauxhall stressed in this week's negotiations that the pay offer had been formulated against the company's trading position, which has been unsatisfactory for several years. Though it has pulled back from its £18m loss in 1974, it has not yet broken through into the profit it feels is essential for its future.

Union negotiators are therefore receptive to a productivity deal, and do not at present foresee industrial action over the claim, similar to that which has closed down Ford's UK operations.

A self-financing productivity scheme features strongly in the company's offer to increase output and give opportunities for "substantially improved" wages.

The offer includes the establishment of a craft grade for skilled workers and proposals for consolidation into basic rates of £4.58 supplemental payments.

It offers a pay increase ranging from £2.60 to £3.82 for day shift workers, giving rates for a 40-hour week from £66.40 to £83, and from £4.12 to £6.60 for night shift workers, raising the 40-hour week rate from £88.31 to £110.39.

● The union side of the Ford negotiating committee will consider today whether the company's 12,500 white collar staff should become involved in the strike by 57,000 manual workers which is nearing the end of its first week.

Yesterday the company postponed a reply to a claim for substantial increases on behalf of the white collar staff because of the dispute.

This angered the white collar unions, who are demanding a date from the company on which it will be prepared to respond to their claim. Their leaders then decided that they would be ready to consider any request for assistance from the manual strikers.

Dockers' shop stewards at Hull met yesterday but said that they had not yet received an expected request from the strikers to black up to 180 Ford cars a day imported from the Continent through the port. No action will be taken by the dockers until a direct request is made.

Up to 200 workers at Ford's Genk, Belgium, plant who supply Transit van parts to Britain, face being laid off because of the strike. This is the only model for which Genk supplies parts to the UK, but British Ford plants supply many parts to Ford of Germany. A spokesman in Cologne said that the strike would cause no immediate difficulties but problems for individual plants could arise if it lasted more than 14 days.

Post Office productivity scheme to cost £35m

BY JOHN LLOYD

THE POST OFFICE is proposing to pay productivity bonuses to its 400,000 staff, increasing its wage bill of nearly £1.8bn by more than 2 per cent or £35m.

The productivity awards will first be paid at the end of this financial year, though there may be interim payments.

Discussions on the productivity award scheme—known as "Overlay" because it overlays the present network of bonus schemes—were initially confined to senior salaried staff, and officially they still are.

However, union sources made it clear yesterday that negotiations were beginning to extend the scheme to all Post Office staff.

There is some disagreement between the unions and the Post Office on the status of the scheme. The Post Office emphasises that it is not linked to profits, that it is a "self financing scheme," and that it would be "fully consistent with pay policy."

However, union officials are convinced that it is linked to profitability, though in a fairly complex way. For example, the scheme would not automatically be void for workers in the postal business if it did not show a profit.

If the Government were to decree a freeze on prices, as it did five years ago, then the losses which might follow such a decision would not be held against the workers.

Instead, the scheme would be based on the underlying improvement in financial performance. There would also be substantial differences in the schemes applied to the labour intensive postal business, and the capital intensive telecommunications business.

An equivalent scheme for the third Post Office business, National Girobank, has still to be proposed.

Strict adherence to Phase Four sought

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT is taking steps to ensure that Phase Four of its pay policy is rigorously observed by companies and trade unions.

Many employers will be told to reach settlements of less than 5 per cent, to allow for unquantifiable extras in the pay bill during their 12-month agreements.

A confidential guidance note to civil servants reveals that virtually every loophole is to be closed.

Departmental officials are told to inform the Department of Employment of disputes. The special Cabinet committee on pay will then be told.

Those involved in a dispute will be unaware at what level their problem is being discussed.

A 14-page document prepared by the Employment Department interprets key passages of the White Paper that introduced Phase Four on August 1.

It contains advice not to be passed on to negotiators in case that limits Ministers' freedom.

A block will be put on companies, such as Sun Alliance in the last round, which wanted to make pension schemes non-contributory and give employees the then maximum 10 per cent rise.

London weighting allowances are to be kept within the 5 per cent limit.

The only special case is British Leyland, allowed to break the 12-month rule to bring employees on to a common settlement date of November 1 this year.

Companies will be told that when calculating the maximum permitted increase of 5 per cent, they must take as the basis increases in earnings of every kind during the life of their last agreement, including money paid for self-financing productivity deals.

They will not be told, without Employment Department clearance, that there could be relief for those who can prove that last year's earning out-turn was in some ways untypical—due to staffing changes, promotion for example.

From the total figure, companies will be expected to deduct their estimated settlement at the time, productivity earnings and rises paid for statutory reasons.

The sum left is to be adjusted for number of hours worked, volume of output under payment-by-results schemes, and the make-up of the labour force.

The resulting figure has to be offset against 5 per cent this time.

The offset must automatically include increases paid for new work, or added responsibility, drift arising from incremental payments, and any excess over the estimated settlement of Phase Three.

The costing of improvements in non-pay benefits "should in all cases be cleared with the Department of Employment."

Timing of deals

No deal is to be made within 12 months of the last and all must run for 12 months.

Exempt from this are new or revised productivity payments, pension benefits, sick pay and job security schemes, profit-sharing schemes outlined in the 1978 Finance Act, statutory obligations and genuine promotion, added responsibility, new work and incremental increases.

The method to submit these to the Cabinet committee is carefully laid down.

Productivity schemes

—Exempt if self-financing schemes as before: the same guidelines are being applied again. But payments will be made as supplements to wages and existing payments cannot be consolidated into basic rates. So-called lead-in payments are given the thumbs down.

Assessors will be unable to make awards or identify workers with which the special cases should be compared. They will establish only rates of pay.

Hours

If working hours are cut as part of a productivity scheme and the scheme fails "there will either be a corresponding reversion to the status quo or a proportionate reduction in pay."

Other cuts in hours will have to be costed and deducted from the main wage deal.

Increments

Incremental and merit payments, if allowed during Phase Three, can continue to be paid. But the "net effect of the cost" will be considered for Phase Four.

Awards

Unless statutory—like those made by the CAC, arbitration awards will fall within 5 per cent unless special cases.

New work

The cost of this will be calculated under the offset rule. If the work is introduced after Phase Four, its cost will be offset in the next round.

Profit-sharing

Explicit exemption is given for schemes which qualify for special tax treatment in the 1978 Finance Act. Other schemes will be deducted from the 5 per cent unless it is a self-financing productivity scheme.

Threshold agreements are forbidden.

Companies rejecting State aid

BY PAULINE CLARK, LABOUR STAFF

FIRM EVIDENCE has emerged that some companies are rejecting Government aid because they have to sign that they are abiding by the pay guidelines when applying for job subsidies.

Browell's Partnership, based in a high unemployment area near South Wales, has asked the Department of Employment to cancel an already approved subsidy to employ two new people because it had inadvertently overlooked certain provisos printed on the application form it sent last August. The company markets technical products and employs 18 people.

These conditions were that to the best of its knowledge it was not in breach of the Government pay guidelines at the time of its application and that it would give access to its records for official examination.

Its action in withdrawing the application suggests that there may be many other companies who are not applying in the first place because of these clauses.

In the case of Browell's, the company says it objects on both counts to political intrusion in its affairs.

Wardens go on strike for a day

By Philip Bassett, Labour Staff

TRAFFIC WARDENS in London will hold a one-day stoppage today in support of a pay dispute. Wardens from Monday will also refuse to wind on parking meters, which is likely to render them inoperable.

Police will take over the traffic wardens' duties this afternoon, while the 1,300 wardens, members of the Civil Service Union, hold a mass meeting.

The union's executive will recommend that wardens ban overtime from Sunday and refuse voluntary duties, particularly at special and sporting events.

The wardens' pay is linked to that of non-manual local authority workers, whose settlement under Stage Three of the Government pay policy was for an increase of 9.75 per cent and consolidation of £4 of the first two pay policy supplements of £6 and £2 50-£4.

The wardens claim that because of their status and conditions their pay should be linked to that of the non-industrial civil servants, who settled under Stage Three for full consolidation of pay policy supplements and an increase of 9.5 per cent, and that the local authority white-collar workers' consolidation loses them 22p an hour.

NUJ rejects pay policy

THE National Union of Journalists has rejected the Government's pay policy and is seeking a £20 a week rise for 9,000 provincial newspaper journalists who, it says, face a "serious crisis."

In its claim to the Newspaper Society, the employers' organisation, the NUJ is also seeking, "for the longer term," an independent inquiry into provincial journalists' pay and conditions.

Nuffield Press freezes input

NUFFIELD PRESS, BL's own print house, declared yesterday a "complete freeze" on further investment until the blacking of new machinery by printers was withdrawn.

The company, a subsidiary of SP Industries (formerly Leyland Special Products) says it has become one of the worst hit in a campaign by members of the National Graphical Association to fight the Government pay guidelines at local level with demands for more money in return for operating new machinery.

The Management Page

EDITED BY CHRISTOPHER LORENZ

John Lloyd explains why the NEB has put more money into one of its higher-risk investments

Sinclair confronts a new set of problems

IONTHS ago, Sinclair es. the adventurous ies company which is owned by the National ise Board. parted com- quietly as it could with man Hewett, its manag- ector of only 13 months' g.

Hewett discreetly, if confined himself to the tion that serving three —the NEB, the Sinclair and Mr. Clive Sinclair, in and founder of the y, bad proved impos-

was very sad," says Mr. r. looking sad. "After EB came in (just over ears ago) it was clear ded a managing director the company day-to-day. ed that as much as the But it was very difficult someone.

had someone in mind the NEB didn't like, and EB had someone who I like. Then Norman t wrote to the NEB and e was on the job market. came here. It was a e."

Sinclair is adamant that was no clash of tempera- no radically differing on the direction the com- should take, in short, no room dramas of the sort make good television. The ie will concede is that Mr. it was at a disadvantage it came to the more arcane ries of the electronics

illette

NEB concurred with the that Mr. Hewett should go. -perhaps more surprisingly eed on the appointment of nclair nominee as his ssor.

Michael Pye, who is 34, technical director of Sin- from 1973-1976. He left at year for the U.S. to take ol of a new electronic division for Gillette, only ve his empire shut down w months later as the nese surged across the et, squeezing the U.S. anies' margins and forcing to close.

Pye has returned to a changed company. In of one which still had the t of amateurishness about with only rudimentary agement systems. he finds where efficiency and aucratic routine have been pted as desirable in the rests of long-term security. will be his task to carry ard that development.

e also finds the company far more aware of the high finan- cial cost of trying to keep one step ahead of the massed American and Japanese ranks of multinational competition. The NEB's financial involve- ment in Sinclair has escalated rapidly since its initial invest- ment of £650,000 in August, 1976, for which it obtained a 43 per cent stake.

A year later, the company's demands for finance prompted the NEB to inject another £1.5m of equity: taking its share holding to 73 per cent, and at the same time to extend a £1m loan facility—bringing its total commitment to £3.15m. The size of the loan facility, and the fact that it has now been fully taken up, became generally known only this week. Mr. Sinclair says that more finance may be needed soon

With Mr. Pye's knowledge of the company and its chairman, he can be expected to be realis- tic about his own room for manoeuvre. Mr. Sinclair remains in charge of the research— extremely important for a "knowledge based" company— and of long-term planning. Mr. Pye's patch is production and marketing.

In the latter area, he will re- ceive assistance from another recent appointee, Mr. David Marshall, who gained a reputa- tion as an aggressive marketer with Camping Gaz, the UK sub- sidiary of Application de Gaz. Marketing has been one of Sin- clair's key weaknesses, and all agree it must now be got right.

The problems which this new team face in keeping Sinclair at the forefront of the elec- tronics world are considerable. Sinclair now has three "legs," or product lines, on which to stand: digital multimeters, calculators, and the pocket television. Only the first appears fully strong and healthy.

Multimeters are pieces of equipment which test the performance of other pieces of equipment. and are thus sold largely to service engineers, or to laboratories. Sinclair has managed to get his cheapest multimeter down to a price of £30, and now claims to be the world's biggest manufacturer (in terms of volume), turning out 10,000 a week and exporting over 80 per cent. They are manufactured elsewhere on con- tract, and tested at Sinclair's plant in St. Ives: quality control, formerly a Sinclair bugbear, appears to be good.

Calculators first brought Sinclair to public notice when. in 1972, he launched the Executive pocket calculator. described as the first "genuine" pocket machine, and selling then at about £79. He has since broadened his range at the top and bottom: he has introduced scientific and programmable models at the top, and the Cambridge range of simple four-function machines at the bottom, costing just over £5.

It is at the bottom end of the market that Sinclair is close to admitting defeat. He has seen his comparatively small share of the UK market—around seven per cent at the beginning of this year—decline over the past few months. The Japanese —Casio and Sharp in particular —are simply too strong.

"The Japanese made a tech- nological leap in the cheap calculator market and are now very much ahead. The only source for the chips and the liquid crystal displays which they use in their small, cheap models is in Japan itself. We have no indigenous capacity to make the kind of chip required."

Retreat

The final decision to retreat from the mass market has still to be taken, but it appears to be likely. But the company will stay in the Executive market and in the programmable sector. Sinclair has just intro- duced a new programmable, the Enterprise, which sells at the low price of £25—"no one can come near that in price."

The Executive range still sells modestly: the company produces around 25,000 calcula- tors of all types a month and obviously relies heavily on its programmables to stay in the market at all.

Multimeters and calculators account for around 50 per cent of the company's turnover: the remainder is taken up by the pocket television, which is certainly a miracle of design. Twelve years of research and £500,000 of the company's own money went into its develop- ment: the NEB contributed a further £2m (part of its overall commitment of £3.15m) to set up the production lines and bring the set to the market. in January, 1977. It is Mr. Sinclair's greatest technical achievement and the company's star attraction — and major hope.

However, it is enjoying mixed fortunes. Quality control appears to be good—there is a return rate of around 5 per cent —"not as good as the Japanese TV industry, but we're working to get there"—and the U.S. market. to which the main sales drive has been directed. has appeared cautiously favourable.

On the other hand, it has not taken off dramatically. Produc- tion has remained at 4.000 sets a month for some time. and Mr. Sinclair said that demand had fallen off recently, adding that summer was a bad time for sell- ing the microvision. (Not necessarily. since it was designed at least as much for outdoor as indoor use.) Its initial selling price of around £225 has been cut to around £180 in most UK stores.

Earlier this year, Mr. Hewett predicted that production would be up to 6,000 a month by the end of the year: that now looks unlikely. But Mr. Sinclair—as always—has the answer. He is about to introduce a newer, cheaper version for the UK only —the present microvision can be used virtually worldwide— which will be even smaller and will sell around the £100 mark.

He has continually claimed that he has had around a two- year lead on the rest of the world with the microvision, a claim which received partial confirmation last week when Matsushita, the Japanese elec- tronics company which manu- facturers television under the name of National Panasonic (it has a plant in South Wales). announced that it would have a pocket TV on the market in two years' time. It will report- edly be smaller than the microvision, and around 100 grams lighter; but it will sell at $125 more than the $400 the microvision currently costs in the U.S.: and the batteries will last three hours against the microvision's four.

Sinclair's future ventures are now kept largely secret, though it is admitted that some work is proceeding on the problems of electric vehicles, specifically on the kind of gearbox they might require. Mr. Sinclair says that if all goes well, he is quite prepared to turn part of the company into a vehicle manufacturer, apparently un- daunted by the swamps into which other, conventional vehicle manufacturers have strayed.

Chain stores

The company's financial future may have been secured for the present by the NEB, but it has not yet become a good investment. In the financial year ending April, 1977, Sinclair showed a loss of £820.000. In the eight-month period to December, 1977 (Sinclair changed its reporting period to synchronise with that of the NEB), it made a loss of £1.88m. In the current year, it is likely to show still another loss (though probably reduced: Mr. Sinclair will not say). Prospects earlier this year were that the company might show a modest profit, and thus this is an extra disappointment.

Crucial to the company's future is successful marketing. "We have always been good on innovation and development: we are now good at production: we still have to get good at selling," says Mr. Sinclair.

David Marshall, the new 36- year-old marketing director who also holds a seat on the Sinclair Board, is already beginning to translate the skills he acquired selling bottled gas for Camping Gaz into those of selling pack- aged electronics.

Clive Sinclair (left) and Michael Pye, his new managing director, with the Microvision: the company's star attraction, but demand is stagnant; hence the new UK version

He stresses that, after only two weeks in harness, he has not yet mapped out a grand market- ing strategy. But a few lines of thought have occurred to him. "We don't want to keep all our eggs in one basket. We don't want only to sell in the chain stores — likes Dixons, Boots, Curry's — which specialise in electronics, or in the department stores. We're vulnerable there, because our competitors can come along and offer a compre- hensive sales package, and we find ourselves pushed to one side.

"I'm keen that we get much deeper penetration into the smaller shops, so that our pro- ducts are available widely. We're fortunate in this country in having a retailing system which hasn't been shattered by hypermarkets and massive shopping centres. This means that we have to work through local wholesalers, getting the Sinclair name round the country."

Mr. Marshall's previous ex- perience in selling products to the outdoor enthusiast has sug- gested to him that here might be a market for at least one of the Sinclair lines. "Fishing is the most popular sport in the country. It may well be that the angler would want to buy a pocket TV to take with him, to help while away the long hours on the riverbank." Thus angling — the common man's route to meditation — is about to be in- vaded by electronic entertain- ment: no angler will be complete (or compleat) without a microvision.

Sinclair continues to demon- strate the features which have made it a source of fascination for the past six years — admir- able innovative flair combined with courage in design, together with weakness in market pene- tration and doubts about its financial future. Most im- portantly—for Clive Sinclair— it remains independent of what he would regard as the suffocat- ing embrace of a big company, and likely to remain so.

GEC, perhaps the only UK company which could absorb Sinclair, was believed to be deterred from taking it over two years ago when Sir Arnold Weinstock, GEC's managing director, concluded that Mr. Sinclair would react badly to being told what to do.

Mr. Sinclair, for his part, obviously relishes the heady challenges constantly presented to him, grumbling only mildly about the deterrent effects of the UK rates of personal taxa- tion on entrepreneurs. For the sake of the taxpayer who funds him, it is to be hoped that his talent and judgment remain good.

How to plan for surprise

WITH indicators of future en- vironmental trends becoming less clear, and unpredictable surprises more common, com- panies will find it even harder to plan their future strategy over the next decade than in the past few years, according to a paper presented at this week's Seventh World Planning Con- gress.

Held in London and organised by the Society for Long Range Planning on behalf of 20 sister organisations round the world, the three-day congress addres- sed the theme of "The Man- agement of Strategic Surprise."

Reorientate

Suggesting how companies should re-orientate their objec- tives to meet "discontinuities," Professor Igor Ansoff, one of the leading international writers on corporate strategy, called for "real time strategic management"—as opposed to the more traditional "periodic strategic planning"—and what he called "surprise manage- ment."

Illustrating how the focus of management atention had shifted from one sort of issue to another during this century, and how he saw the process accelerating, Professor Ansoff saw the prime concerns up to 1930 as internal structure and production efficiency. From roughly the start of the 'thirties there was a growing concern with external strategy and marketing effectiveness, to which, from about 1950, was added product and market inno- vation, multinational expansion and, in the 1960s, diversification.

Turbulence

In the 1970s the number of overriding managerial pre- occupations had multiplied, Professor Ansoff said, and added to the list: adaption of company structure to "turbulence" in the outside world: the redesign of internal climate and work structure; and the problem of scarce resources. Now two further preoccupations were developing: the limits of growth; and external socio-political initiatives.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ASSEMBLY

Molten metal links the components

AN UNUSUAL method of assembling small components is to be demonstrated by the Fisher group at the International Design Engineering Show which opens on December 4 at NEC Birmingham.

IMA, which stands for injected metal assembly, is a development of diecasting and uses a specially built diecasting machine. This injects molten metal into the assembly at selected points and when the metal solidifies, the components are firmly held together.

Substantial manufacturing cost reductions can be achieved by applying this method which can be used with a unit designated Model 41 IMA. Hahn and Kolb, sole UK distributors for Fisher, who designed the unit, will be showing it in operation at NEC and will be producing an assembly of a gear wheel about 2 inches across on a drive shaft. Testing to destruction will be part of the demonstration and the company hopes to show that the join metal is the last to go.

Components to be assembled are loaded manually into the operating head and located precisely in tooling that contains a cavity acting as the mould for the injected metal.

The operating head resembles the breach mechanism of a gun, a design effective for rapid loading and unloading, but which also protects the operator by preventing the escape of hot gases or molten metal. Changing the head takes about 10 minutes, so a different assembly can be in production within 30 minutes.

An injection unit with a capacity just under 5 cc equips the model 41 machine. All process variables are precisely controlled. Injection of metal is performed automatically with functions programmed by an electronic panel.

For safety, the machine is interlocked in critical areas to prevent hazardous conditions in the event of malfunction. Either water or air cooling can be incorporated in the housing for the pot of molten metal, so the operator is not affected by heat. Being compact, quiet and clean, the unit is suitable for installation in the assembly shop.

Owing to the extreme rapidity with which the injected metal cools, components made of materials other than metal can be assembled by the process. Examples are nylon, glass, ceramics and even paper.

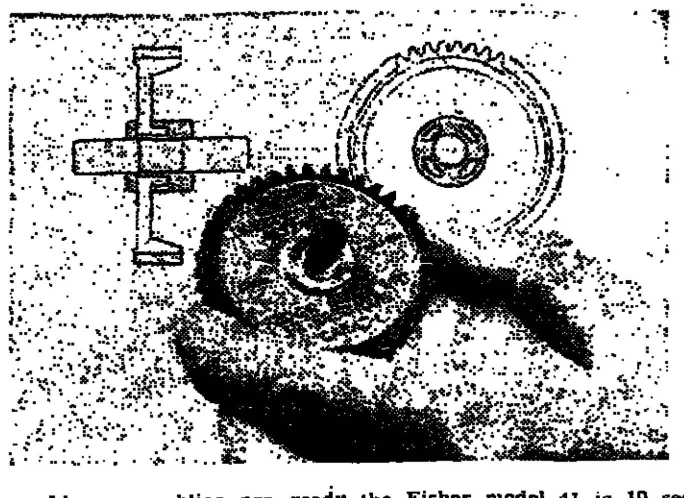
When ejected from the machine, assemblies are ready for use. The design of the system eliminates the presence of sprue or flash, so there is no need for a subsequent finishing operation. Components are mechanically locked together because of the shrinkage of the cast metal. Either zinc or lead alloy can be used in the process. Zinc alloy is preferable when strength is required: an IMA joint can be designed so that it is the strongest part of an assembly.

Typically, the cycle time for the Fisher model 41 is 10 sec, and the machine can be operated by unskilled personnel. In many instances, this will be quicker and less expensive than the conventional method.

However, cost savings from IMA can be achieved for reasons other than reduced assembly time. Consistent functioning of the machine coupled with precise location of components may reduce inspection and scrap costs. It is also possible to simplify components so that they cost less to manufacture: this is especially the case when components have features such as splines or key-ways that can be dispensed with.

Among applications are terminals cast on to flexible cables, or to apply conductors directly on to printed circuits. The method shows great promise for use with components of brittle materials that would be damaged if assembled by mechanical means.

Hahn and Kolb, Leicester Road, Rugby, Warwickshire CV21 1NY. Rugby (0788) 74261.



A gear wheel assembled by the IMA method shows a central bright portion where the injected zinc links the body of the wheel to the shaft. The wheel is about 2 inches in diameter and the shaft 5/16ths inch. At the rear the two projections of the assembly show in cross-hatching exactly where the molten metal is placed during the operation to link the two components together with a join which, once solidified, can be shown to be stronger than the steel of the two components. This method of assembly is carried out on a machine designed by Fisher

● METALWORKING

Shapes made in sheet metal

CAPABLE OF producing cutouts or contours af any shape and size in sheet metal up to 12mm thick is the Trumpf CN range of copy and co-ordinate nibbling machines.

By acting as support for the punch and helping to prolong tool life, a guide pin eliminates off-centre loading, and as a feed stop, permits any direction of cut guaranteeing a consistent finish.

Cutouts are produced by a simple and moderately priced tool system to template or to scales without any marking or scribing necessary.

Copy nibbling allows for the economical production of any number of identical components by tracing a template, the form of which corresponds with the shape to be produced. Internal cutouts are produced by co-ordinate nibbling. The size and exact location of the cut are set by the co-ordinate scales fitted to the machine. With the circle guide attachment available from Trumpf as an accessory, this operation can also be used to produce circular cutouts up to 600mm in diameter.

The versatility of the CN series: i.e. slotting, shearing, louvre cutting, beading, folding, flanging and peening, is considerably extended to a punching attachment which allows the production of rectangular, round or iregular shaped cutouts with a continuously running ram.

Trumpf is at St. Albans 31111.

Big bevel gear unit

CONTINUOUS gear generating machinery capable of producing cyclo-palloid spiral bevel gears, by a continuous generation method, up to 1600mm or 63 ins in diameter, has been built by W. Fred Klingelnberg of West Germany.

Until now, the largest continuously generated gears produced on machines from this company could transmit up to 3,000 hp. The new, larger gears will be able to take from 5,000 to 6,000 hp.

Klingelnberg, through its subsidiary Continental Machine Tool Company, is offering a technical advisory service to users in order to help them solve specific problems of layout and design.

Continental is at 500 London Road, High Wycombe, Bucks. High Wycombe (0494) 32723.

Close control of arc furnaces

FOLLOWING AN extended testing sequence of several years, Krupp Stahlwerke Suedwestfalen is now using a computerised control complex for electric arc furnaces.

This equipment constantly logs process data and optimises important operational steps when high-grade and special steels are being handled. Relevant target and actual values are continuously compared in displays and further information on the process can be fed in during operations through data display and communications units.

Virtually automatic operation of the electric arc furnace thanks to this form of electronic control can provide trouble-free commissioning of new plants. At the same time, in day to day running, significant increases in output and reductions in operational costs can be achieved.

Krupp Industrie and Stahlbau is acquiring this control system for planning and building electric arc plant. By specification, it will supervise power distribution to several electric arc furnaces according to the availability of power and furnace priorities.

Metallurgical process control will be provided, together with optimisation of the charging of scrap and alloying materials so as to achieve a high quality product at lowest costs.

Dynamic control of energy requirements throughout the whole melting sequence implies supervision of ancillary heat sources and of heat losses and electric arc performance and related factors are closely watched at all times to keep the process on the right lines.

Krupp says programming of the various steps with the controller is so flexible as to permit smooth introduction of automation in new plants through the automated equipment itself.

Fried. Krupp GmbH, 43 Essen, Postfach 10, Federal Republic of Germany.

● PRINTING

Cuts cost of cylinders

THE INAUGURATION of a product demonstration suite (costing over £1m) has confirmed Crosfield Electronics' talents as a combination of high technology and superlative style.

The company (acquired by De La Rue in 1974) serves the needs of the printing industry with products incorporating the latest optical, mechanical and electronic technology. It has invested very heavily in research and development; the results are shown in an hypnotic display in the demonstration suite at 766, Holloway Road, London, N19 3JG (01-272 7766).

Its latest development is "Lasergravure." This uses a high power laser to engrave direct on a plastic surface which can, if necessary, be plated and, says the company, will cut down the cost of making gravure cylinders to around a third of the current cost.

In addition to making such cylinders more economically, the repeatability and accuracy of the process will be much higher than that of conventional cylinder etching. Although further development work is needed, the company has embarked on a period of printing trials and is convinced, from results already achieved, that this process will make a major impact in printing.

Due to the success of Magnascan 550 and 510, the company now holds 50 per cent of the world market for colour scanners which account for 80 per cent of its business. Although market studies indicate that less than half of colour separations are made on colour scanners today, it appears that within a few years 85 per cent. of these will be made in this way.

Operating in conjunction with the Magnascan 550 is the newly launched page composition system which produces, at very high speed, a complete set of separations with all the illustrations and text components planned into their correct location and ready for copying on to plate or cylinder.

The system has an input scanner for entering all picture and text copy; a main disc backing store; the output section of the scanner (on which page separations are produced) and a large area digitising table which is connected on-line to the scanner and provides output position, overlay and cropping co-ordinate data.

This can automatically handle cropping outlines for pictures and tint blocks in normal and rotated rectangles, circles and elipses, traingles, quadrilaterals, and pictures with irregular outlines. It also electronically defines backgrounds, rules, tint blocks and borders to any colour, and can automatically round corners to a radius. Overlays and underlays can be accommodated in any combination.

Its creativity scope is such that special effects, not easily achieved by conventional methods, are simple to create.

● COMPUTERS

Large-scale disc store

INTENDED for users of large-scale IBM computer systems, enhanced disc storage drives from Control Data will, it is claimed, permit up to twice the storage capacity "of any competing product."

These 33502 subsystems provide 1.27bn bytes in each of the two-spindle cabinets so that the maximum storage capacity of four cabinets (eight spindles) is more than 5bn bytes. However, since a single controller can deal with four strings of drives the maximum system total becomes 20bn bytes.

The increased capacity has been obtained by increasing the number of recorded surfaces and heads in each sealed module and also by packing more tracks on each surface.

More from the company at 22A St. James' Square, London SW1 (01-930 7344).

Rolling out the printers

CONTROL DATA is now shipping the 9380 family of band printers from the Data Peripherals facility at Stevenage, operated by Computer Peripherals Inc. of which CDC owns 60 per cent.

The family includes 300, 600 and 900 lines per minute versions, the last initially coming from an associated factory in the U.S.

ICL and NCR each have a 20 per cent stake in CPI and the start of deliveries of these printers—which will eventually grow in diversity to provide a complete range—is an important land-mark in the joint venture which seeks to spread the high development costs over a big international market.

The 9380 family is claimed to meet user's band printer specifications fully at low cost and is mid-way between slow speed matrix devices and the faster, more expensive train printers.

The machines are freestanding, backprinting, line at a time devices and apply time-shared hammer technology to print lines of 132 columns, achieved by compressing forms and ribbons against a horizontally moving print fount engraved on an operator-exchangeable character band.

Print speed depends on the model and size of character set, with maximum speeds achieved using the 48 character set—360 and 720 lines per minute for the 300 and 600 models respectively. The 900 lpm model achieves 1130 lpm.

The controller allows siting of the printer up to 50 feet from the central processor and incorporates a buffer store capacity of one complete print line of 136 characters, plus one format command.

Control Data is at 22A, St. James's Square, London, SW1. 01-930 7344.

● CONSTRUCTION

Heavy duty engine range

OFFERING strong competition to newly-announced engines from Petter, Duetz is to launch a new series of single and two-cylinder engines primarily for use in the construction equipment area.

The new engines (FL 511 Series) replace the FL 411 Series and have a power increase of 25 per cent without any additional weight or physical size penalty. Full details of the design methods to attain this important step forward will be disclosed during the show.

FL 511 Series units are direct injection engines but there is an option, on the suffix W range, to choose a dual-combustion version. This gives the advantage of the Deutz two-stage combustion process with which exhaust pollution is minimised. The engine is suitable for applications where health and safety protection measures are more stringent than in normal working conditions.

Deutz Engines, Riverside Road, London SW17 6UT. 01-946 9161.

● SAFETY

New aerosol propellants in prospect

AEROSOL PROPELLANT formulations free from the fluorocarbons which may affect the earth's ozone layer and could soon be banned, at least in the U.S., are being tested in a series of industrial application packs by Adrox division of Brent Chemicals.

Generally, they consist of mixtures of carbon dioxide and an alkane—propane for instance. They have been made up by several of the aerosol manufacturers with a series of products belonging either to the non-destructive testing aid category, or to metal surface protection.

Some 12 months' work has gone into the development which has resulted in an aerosol system with equivalent spray characteristics to the formulations they are seeking to displace, but which also require a smaller proportion of propellant to active material. This results in lighter cans with more useful product.

Made in Britain, the Adrox formulations are claimed to conform fully with U.S. legislation which seeks to ban the use of fluorocarbons in aerosols by the end of the current year.

European governments have so far not taken such drastic action and a number of authorities have published their beliefs that fluorocarbons have no appreciable effect on the earth's protective ozone layer. Should Europe follow the U.S. lead, however, one group of companies in Europe will already have completed the homework.

Adrox Company, Furlong Road, Bourne End, Bucks. (Bourne End 06285 24851).

● PROCESSES

Galvanising technique from Japan

AGREEMENTS licensing Schloemann-Siemag AG Dusseldorf, West Germany, to design, construct and sell in Europe the electrolytic galvanising line devised by Nippon Steel are now in force.

Consisting of horizontal-type jet-system tanks with insoluble anodes, the Nippon galvanising process is radically different from the conventional ones using soluble zinc anodes.

It has been proved efficient in a line at the Japanese group's Kimitsu works.

The process by Nippon Steel uses high-density electric current, and dispenses with zinc anode feeding operations. The galvanising line is more compact and its operating personnel requirements significantly reduced.

● INSTRUMENTS

Moisture in grains measured

PROTIMETER'S Grainmaster Mark II instrument will measure both temperature and moisture content of up to 50 types of grain.

A temperature correction table is incorporated on the face of the instrument, thus eliminating any chance of inaccuracies due to users omitting temperature correction (a common source of error).

Eight of the most common crops are listed on the dial. These include soft wheat, hard wheat, barley, oats, rye, maize and paddy (rice).

The instrument comes with an immediate - response electronic thermometer. This instantaneously establishes the temperature of the grain being tested and shows finding direct on the instrument dial.

Marlow (06284) 72722 for further data.

● IN THE OFFICE

Simplified addressing

FOR MOST businesses where addresses are stored on a computer it is normal practice to address mail with the aid of this computer file.

A Dutch company is marketing a machine which cuts normal computer paper with printed addresses into separate address strips and sticks to these on the mail. The entire machine can be placed on a table.

The vacuum system in the machine picks up the items of mail one at a time and feeds them into the machine. The addresses are cut from lists by special blades which first cut the list up horizontally and then vertically.

The individual address strips are conveyed by a vacuum mechanism to a glue wheel. The glue wheel applies glue to the back of the address strip and the vacuum mechanism then conveys the address strip to the envelope. The vacuum is then broken and the label is pressed on the mail by a wheel. The machine is also designed to attach labels to wrappers, cards, lists, etc.

The speed of the machine (5,000 items per hour) is such that one person can easily be responsible for both input and output.

Buhrs-Zaandam BV, Postbus 92, Zaandam, Holland.

COMPANY NOTICES

GOLD FIELDS GROUP

NOTICE RE CLOSING OF REGISTERS OF MEMBERS

NOTICE IS HEREBY GIVEN that the REGISTERS OF MEMBERS of the undermentioned companies will be CLOSED for the purpose of the Annual General Meetings as follows —

Name of Company (Each Incorporated in the Republic of South Africa)	Register of Members closed (both days inclusive)
Gold Fields Property Company Limited	6 October to 12 October, 1978
New Witwatersrand Gold Exploration Company Limited	6 October to 13 October, 1978
Doornfontein Gold Mining Company Limited	9 October to 16 October, 1978
Kloof Gold Mining Company Limited	9 October to 16 October, 1978
Libanon Gold Mining Company Limited	9 October to 16 October, 1978
Venterspost Gold Mining Company Limited	9 October to 16 October, 1978
West Driefontein Gold Mining Company Limited	9 October to 16 October, 1978
Gold Fields of South Africa Limited	20 October to 27 October, 1978

By Order of the Boards
C. E. WENNER,
London Secretary.

London Office:
49 Moorgate,
London EC2R 6BQ
28 September, 1978

B.A.T. INTERNATIONAL FINANCE LIMITED

100,000,000 French Francs 7 ½ %
Guaranteed Bonds 1987

At the request of the Trustee, we hereby give notice that the nominal amount of FF 4,000,000 has been purchased on the market for redemption due November 15, 1978.

The Principal Paying Agent
KREDIETBANK
S.A. Luxembourgeoise
Luxembourg, September 29, 1978.

U.K. U.S.A. GULF WESTBOUND RATE AGREEMENT

NOTICE TO SHIPPERS AND CONSIGNEES
INLAND RATES/CHARGES IN ENGLAND, SCOTLAND AND WALES

The member lines of the U.K./U.S.A. Gulf Westbound Rate Agreement No. 8770, hereby inform shippers and consignees that, as a result of increases incurred in operating costs from sources beyond their control or influence, the current inland rates and charges applicable when they arrange inland transport in the U.K. at shippers/consignees request are no longer compensatory and, accordingly, an upward revision has been found necessary.

Therefore, effective 1st January 1979, inland grid rates and charges are to be increased by 15 per cent.

Details of revised rates and charges may be obtained from any of the undermentioned lines or their agents.

Member Lines
Atlantic Cargo Services A.B.
Combi Line
Thos. & Jas. Harrison Ltd.
Lykes Bros. S.S. Co. Inc.
Sea-Land Service Inc.

The Secretary
U.K./U.S.A. GULF WESTBOUND RATE AGREEMENT
Cunard Building
Liverpool L3 1DS.
England
September 1978

U.K. U.S.A. GULF WESTBOUND RATE AGREEMENT

NOTICE TO SHIPPERS AND CONSIGNEES
INLAND RATES/CHARGES IN NORTHERN IRELAND AND THE REPUBLIC OF IRELAND

The member lines of the U.K./U.S.A. Gulf Westbound Rate Agreement No. 8770, operating ocean liner services to Gulf of Mexico ports of the United States of America, wish to advise shippers and consignees that, as a result of increases incurred in inland operating costs from sources beyond their control, the current inland rates and charges applicable when they arrange inland transport in Northern Ireland and the Republic of Ireland via the ports of Belfast and Dublin, at shippers/consignees request are no longer compensatory and, accordingly, an upward revision has been found necessary.

Therefore, effective 1st November, 1978, inland transportation rates and charges are to be increased, details of which may be obtained from any of the undernoted lines or their agents

Member Lines:
Atlantic Cargo Services A.B.
Combi Line
Thos. & Jas. Harrison Ltd
Lykes Bros. S.S. Co. Inc
Sea-Land Service Inc

The Secretary,
U.K./U.S.A. GULF WESTBOUND RATE AGREEMENT
Cunard Building
Liverpool L3 1DS.
England
September 1978

THE AFRIKANDER LEASE LIMITED

(Incorporated in the Republic of South Africa)

CLOSING OF REGISTERS

For the purpose of the annual general meeting of The Afrikander Lease Limited to be held at 44 Main Street, Johannesburg, on Thursday 26th October 1978 at 10h15, the transfer registers and registers of members of the company will be closed from 20th October to 26th October 1978, both days inclusive.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per C. R. Bull
Divisional Secretary

U.K. Transfer Secretaries
Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent TN24 8EQ.

Registered Office
44 Main Street,
Johannesburg 2001
29th September 1978

NIPPON MEAT PACKERS INC. (CDRs)

Business results for the current term ended July 31st, 1978, as compared with the same period of last year (August 1, 1976 through July 31st, 1977).

(in million Yen unless otherwise specified)	Current term ended July 31 1978	Previous term ended July 31 1977
Sales	188.885	180.033
Recurring profit	9.234	8.015
Profit for the current term	4 662	4.048
Profit per share	yen 32.30	yen 32.25
dividends at term end	yen 10.00	yen 10.00

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam,
September 20, 1978.

NOTICE OF PURCHASE EUROPEAN INVESTMENT BANK

8.25% Dollar Notes, due September 1, 1983 and 8.75% Dollar Bonds, due September 1, 1988

NOTICE IS HEREBY GIVEN to Bondholders that UNION BANK OF SWITZERLAND (SECURITIES) LIMITED, London, as Purchase Agent for account of such Bank, has purchased:

—during the six-month period ending 28th February 1978 US$854,000 of our 8.25% Dollar Notes, due 1983 and US$1,750,000 of our 8.75% Dollar Bonds, due 1988 on account of the eleven-month period which ended 31st August 1977

—during the twelve-month period ending 31st August 1978 US$1,370,000 of our 8.25% Dollar Notes, due 1983 and US$970,000 of our 8.75% Dollar Bonds, due 1988.

The principal amount of Notes and Bonds remaining in circulation was respectively on 1st September 1978 US$72,776,000 US$47,280,000

EUROPEAN INVESTMENT BANK
Luxembourg
27th September, 1978.

Dfls. 50,000,000.-
6½% bearer Notes of 1972 due 1976/1979
of
STANDARD BRANDS INCORPORATED

THIRD ANNUAL REDEMPTION INSTALMENT

(Redemption Group Nos. 1 and 4 having fallen due before)

Notes belonging to Redemption Group No. 2 will be redeemed on and after

November 1, 1978

in accordance with drawing effected on September 11, 1978 pursuant to the Terms and Conditions.

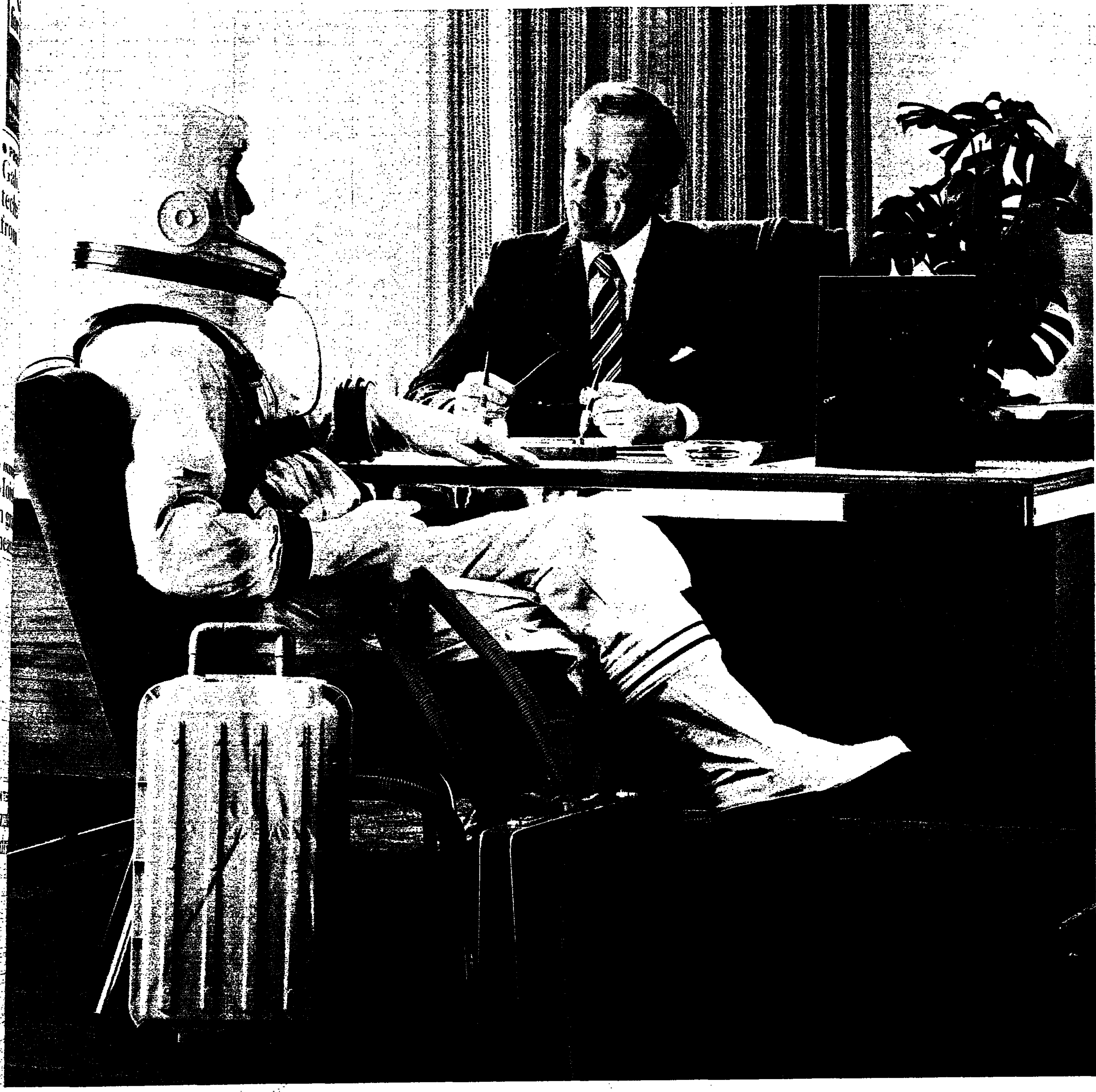
Paying Agents:
Amsterdam-Rotterdam Bank N.V.
Bank Mees & Hope NV
Algemene Bank Nederland N.V.
Pierson, Heldring & Pierson N.V.
in Amsterdam
and
Banque Générale du Luxembourg S.A.
in Luxembourg

Notes belonging to Redemption Group No. 3 will be redeemed on and after November 1, 1979

September 29, 1978

هكذا من الاصل

صورة من الأصل



Your NatWest bank manager will help you export where you haven't exported before.

If you're left speechless at the prospect of exporting to unfamiliar places, go and see your local NatWest bank manager.

You'll find he speaks your language — and theirs. For specialist problems, he'll call in our experts from NatWest International and Credit Factoring International.

Between them, they know everything you need to know to export successfully.

They'll look after all your foreign currency problems, sort out forward exchange contracts, arrange any international factoring you may require, and advise you on local customs. Your local NatWest bank manager is only too willing to become your personal financial ambassador.

All you have to do is go in and ask him.

Just ask him.

NATIONAL WESTMINSTER BANK GROUP. FULL BANKING SERVICES INCLUDING BUSINESS DEVELOPMENT LOANS; FOREIGN CURRENCY DEALING AND EXPORT FINANCE, PAYROLL AND COMPUTER SERVICES (CENTRE-FILE LTD); REGISTRAR AND ISSUE SERVICES; DOMESTIC AND EXPORT FACTORING (CREDIT FACTORING INTERNATIONAL LTD), MERCHANT BANKING (COUNTY BANK LTD); LEASING AND INSTALMENT CREDIT (LOMBARD NORTH CENTRAL LTD); INSURANCE BROKERS (NATIONAL WESTMINSTER INSURANCE SERVICES LTD), CORPORATE TRUSTEES (TRUSTEE DEPARTMENT), COMPUTER OUTPUT TO MICROFICHE (EUROCOM DATA LTD).

FINANCIAL TIMES SURVEY

Friday September 29 1978

Florida

Known mainly as a resort and retirement State, Florida has recently been making determined efforts to develop as an industrial and trade centre, particularly with its position as a gateway to Latin America in mind. JOHN WYLES reports.

More than a sunshine State

INEVITABLY SOMEONE had to christen Florida "God's waiting room." But the sobriquet is only one of several: the locals prefer "Garden of Eden"—which has sought to encapsulate a part of the U.S. which for most of the post-war years has been more than happy to nurture an image of sunshine and comfort, of catering to the most sedulous sybarite. For some, of course, the image is the reality. The climate is delightful, the retirement living can be easy, there is plenty of hunting, shooting and fishing, the 'gators are still in the Everglades, Anita Bryant is still promoting Florida oranges and the Miami area is still struggling to overcome a serious shortage of moorings for private boats.

While not desiring to play down any aspect of the image which will this year bring in 34m tourists spending more than $12bn, Florida is now anxious to have the world know that it has more than just sunshine to offer.

The reason is that this land of dreams-come-true went through something of a nightmare in 1974-75 when it was engulfed in a tide of economic recession, which more than doubled its unemployment rate to close to 11 per cent and in the process issued a sharp reminder that a mix of retirement homes and holiday resorts were no protection against a serious downturn.

After several years in which economic and population growth had been running at more than 4 per cent a year, Florida was ill prepared for a downturn which in real terms reduced personal income in the State in both 1974 and 1975.

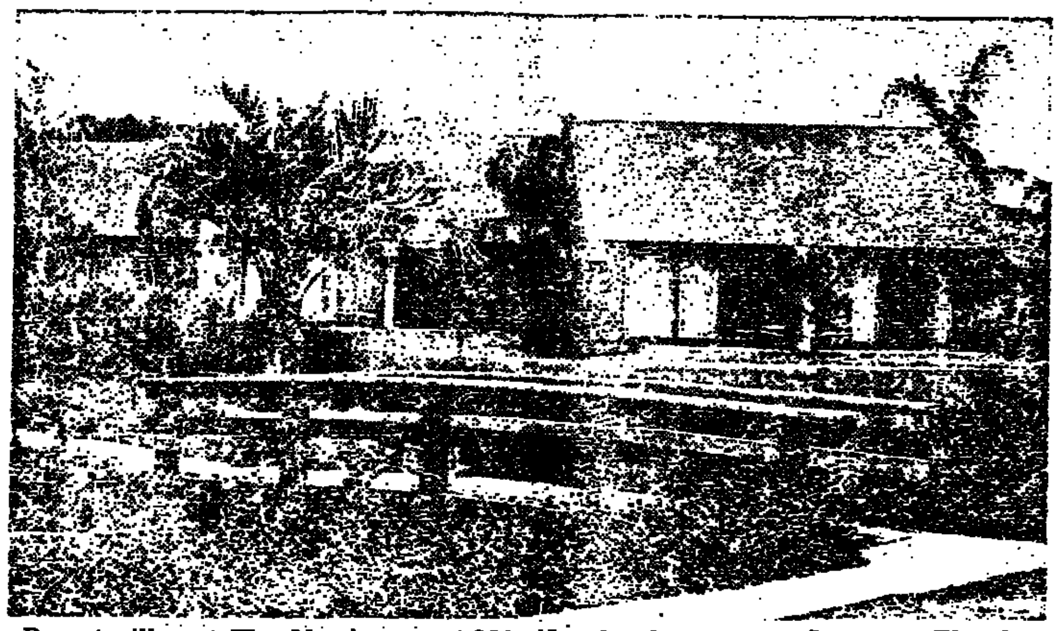
"The recession was a sobering experience for Florida because it showed that we had to strengthen our economic base," says Governor Reubin Askew, who vacates the Governor's mansion in Tallahassee next January after eight years in office. In policy terms the recession resulted in a vigorous effort to diversify economic activity within the State so as to reduce its excessive reliance on trade and services. In particular, the goal is to halt the decline in manufacturing's share of total employment. In ten years this has tumbled from 17.3 to 13.3 per cent, which is less than half the national average. Trade accounts for 20.5 per cent of all jobs in Florida, compared with 17 per cent in the U.S. as a whole, services 20.2 per cent compared with 16 per cent and finance, insurance and real estate 7.2 per cent versus 5.4 per cent.

Not surprisingly in view of its popularity with "retirees," Florida's demographic mix is also somewhat different from that of the country as a whole, although it is less heavily tilted towards the old than might be expected. Thus in 1977 about 28 per cent of its people were under the age of 18 compared with 34 per cent nationally. 33.5 per cent were aged between 18 and 44 compared with 35 per cent for the entire nation, 22 per cent were in the 45 to 64 age group, only a shade more than in the whole country and 17 per cent were over 65 compared with about 12 per cent nationally.

Inevitably, there are immense regional variations within the State, and four counties—Pinellas, Sarasota, Manatee and Pasco—have 30 per cent or more of their population who are older than 65.

Although many Floridians are suspicious of progress in general and industrial development in particular, there is little doubt that the main lines of policy laid down by Governor Askew's administration in the past three years will be pursued by each of his three possible successors, Mr. Robert S. Hevin and Mr. Robert Graham, who are fighting for the Democratic Party's nomination, and Mr. Jack Eckherd, who will carry the Republican banner.

"We have tried to create a favourable business climate," says Mr. Philip Ashler, the State's Secretary for Commerce, reciting in evidence the absence of personal income tax, the aid for training and relocation and freedom from the need to pay sales tax on materials for new plant or plant modernisation. But the line in Tallahassee is that "we will not give the state away," which means that tax holidays and other concessions to the new investor are not available. To some extent this puts Florida at a disadvantage with its similarly investment hungry neighbours to the north, Alabama, Georgia and South Carolina, but the attitude is one behind which both State government and local business can unite. The evidence of this should be seen to good effect at the International Chamber of Commerce convention which meets at Disney World in early October. ICC's choice of Disney World was an interesting one in view of its traditional preference for capital cities, but the Florida government and its energetic Head of Economic Development, Mr. James Cooney, is not passing up any conceivable opportunity to stress its investment opportunities. More than 50 company jets have been lent by Florida companies to Mr. Cooney's department for the occasion, and these will be employed in ferrying delegates around the State to visit companies and sites they have requested to see. Great stress is also being laid on portraying Florida's regional diversity—something which is missing from the broad brush strokes of the State's image. Life, economic activity and investment opportunities are somewhat different in Pensacola from Dade County or in Jacksonville and Tampa, and it will be surprising if many delegates are not a little taken aback by the economic and social diversity which already exists.



Resort villas at The Meadows, a 1,300 acre development at Sarasota, Florida. The project, a Taylor Woodrow development will provide 3,900 housing units and is expected to take 13 years to complete.

But the most striking development, particularly to the visitor to the south east, is the emergence of Florida as the gateway to Latin America, appropriately so in view of the State's history. The first Europeans to clap eyes on Florida were not pilgrim fathers but more likely than not Spaniards, and it was Juan Ponce de Leon, who had been on Columbus' second voyage to America, who named what he thought was an island "Pascua Florida," because his arrival in 1513 coincided with the feast of the flowers. Although the State briefly belonged to the British for the 20 years after 1763, Spanish culture has always been discernible, and it was therefore an acceptable surrogate home for the several hundred thousand emigree Cubans who settled in the U.S. after the Castro revolution. Their presence has transformed Dade County in the south east into a bilingual, economically aggressive area, which in the past four or five years has welcomed the flood of capital pouring out of many Latin American countries in search of a safe home.

The area is rife with stories of Venezuelans, Costa Ricans and others stepping off the plane at Miami International with suitcases full of dollars for depositing at local banks. Increasingly Miami is the lens through which U.S. banks focus on Latin America. Ten of the large money centre banks have opened "Edge Act" branches there for international business while Coral Gables, part of the Greater Miami area, hosts the Latin American headquarters of more than 80 U.S. multinationals. But Latin Americans are increasingly interested in investing in Florida, individuals have already bought up a handful of small banks, while many more are buying real estate and property developments.

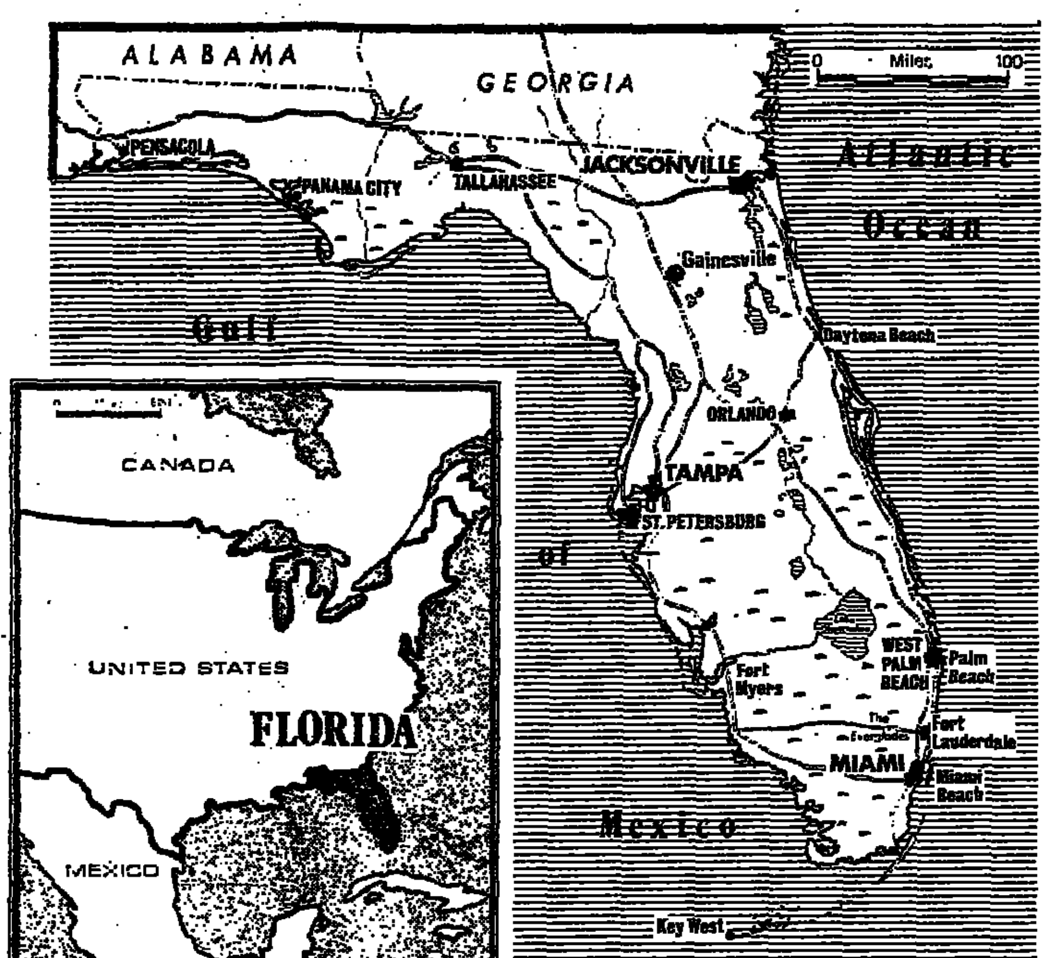
With the accent in Dade County on international trade and development, it is small wonder that many of its local business leaders contemplate the possible arrival of casino gambling. The issue, which will go to a statewide ballot in November, is arousing more political conflict than the race for political office, with much of the tourist industry lined up in favour of legalised gambling and with business and the political establishment against. Governor Askew is leading the opposition, arguing that "it is counter-productive to all our efforts to be seen as serious about economic development. In Miami we have the opportunity to develop a hemisphere city for international trade and finance, and this will be damaged because of the elements attached to casino gambling."

Needless to say, hotel operators, principally those on Miami Beach, take a different view, and large sums of money are being spent to persuade Florida voters of the need to be able to compete first with Nevada, the home of casino gambling in the U.S., and more recently with Atlantic City, New Jersey. But Miami Beach has been losing to local competition in the shape of Disney World at Orlando, which is attracting more than 13m visitors a year and offers a more varied family holiday than the faded concrete opulence of Miami Beach. However this family row is settled—and the latest polls point to a defeat for the gambling lobby—the probability is that Florida will continue to pursue its economic development with cautious enthusiasm.

Commitment to industry

IAL DEVELOPMENT ecently been a "good Florida. During the ırs of growth in the early 1970s a gallop- ıt industry and con- ɔpularity as a retire- re appeared to guaran- e prosperity that the d possibly need. In as argued with some on that a growth rate of the 5 per cent per 1968-72 would place rable burden on the ture of services which rely keep pace with ɔpulation increase.

or Askew claims— the recollections of oridians differ some- ıt he was counselling ning of the economic ing the early part of term of office but that owth and prosperity little support for his ere was moreover an ıdable aversion among tors of the population isk of polluting both and scenic beauty in e of economic develop- suppose progress is a ig, but it just seems to ave a dirty footprint" view expressed to me allahassee bus driver, g that the rural con- n of north-west Florida and well and shared by lds.



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ts of doubt clearly still ıt there is no denying that Florida's political eaucratic leadership is mmitted to attracting lustries into the state ıt this commitment is to change no matter places Governor Askey s second term ends next . Industrial develop- ecame a *priority purely* mply because of the n. of 1974-75 when was *somewhat cruelly* ed that no matter how t is the land of dreams ue, it is also part of the States. Still more of a was the realisation that far less well equipped any *other parts* of the cope with a severe ic recession. In 1975 dropped sharply and ction, one of the funda- props of the local y, virtually halted.

nployment, which had vell below the national for all post-war years, d to 12 per cent thanks ggering 32 per cent drop loyment in the construc- dustry in 1975. Within it was virtually conven- *wisdom in Tallahassee* course the State was too dependent on tourism and retired people, and of course it must begin selling itself to the U.S. *and the world in general* as a potential location for in- dustrial manufacturing.

The *Division of Economic* Development within the Department of Commerce was *given added staff and resources,* and an international unit was established at the beginning of last year. Governor Askew set about giving the lie to an anti- business reputation, which he feels was ill-deserved, by making two trips to Europe in 1977 and by travelling to Japan early this year. At the same time, the State established an office in Brussels to trail its coat in front of potential foreign investors, and this is being augmented by similar agencies in Frankfurt and Tokyo.

In Governor Askew's words the message quite simply is that "Florida has an open door towards economic development and business, in fact not just an open door, the welcome mat is out." But the industrial development effort is clearly handicapped *by* the State's image as a giant tourist resort and retirement home. In all respects this is a pity since closer examination points to a *number of opportunities for a* potential industrial investor.

The State's phenomenal *population growth of 39.4 per* cent between 1966 and 1976 has provided a labour force which *is apparently well-endowed in* a variety of skills, which are continuing to be augmented by a current immigration rate of close to 1,000 new settlers a day. Moreover, the labour is comparatively cheap. The correlation between union membership and hourly pay rates is clearly evident in Florida. Probably less than 12 per cent of its non-agricul- tural labour force belongs to a trade union, compared to a little over 20 per cent in the country as a whole.

Average hourly earnings in February of last year were $4.51 compared with a U.S. average of $5.43, and only ten other states were ranked lower. In addi- tion this non-unionised, mod- *estly paid labour force is rela-* tively quiescent. Time lost due to work stoppages has been *below the national* average, although pretty much in line with the national median. Although Florida is not well positioned for access to the broad U.S. market, the excel- lence of its communications is a considerable compensation *for industries such as elec-* tronics whose products have a high added value.

For the company which is bent on attacking the Latin American market the State is probably *without* equal, not just because of the dense network of airlinks with major South American countries but also be- cause of its substantial Span- ish-speaking population, parti- *cularly in the Miami area. Both* factors have underpinned a determined effort by the Coral *Gables Development Authority* to attract the Latin American headquarters of U.S. multi- nationals. Part *of* Greater Miami, although a city in its own right, Coral Gables now accommodates 80 of these head- quarters, whose principal con- cern is doing business to the south.

Many have been attracted not just by geographical proximity and excellence of communica- tions but also by a lifestyle which caters for the year-round sybarite. "Quality of life" are buzzwords in Florida, partly because of the interminable warmth and sunshine, but also because of the solid cash ad- vantages which life in the State appears to offer. There is no personal income tax, corporate income tax is modest, property taxes are less than two per cent of market value and, according to a recent survey, State taxes in the aggregate *are lower than* in any other of the 49 American states.

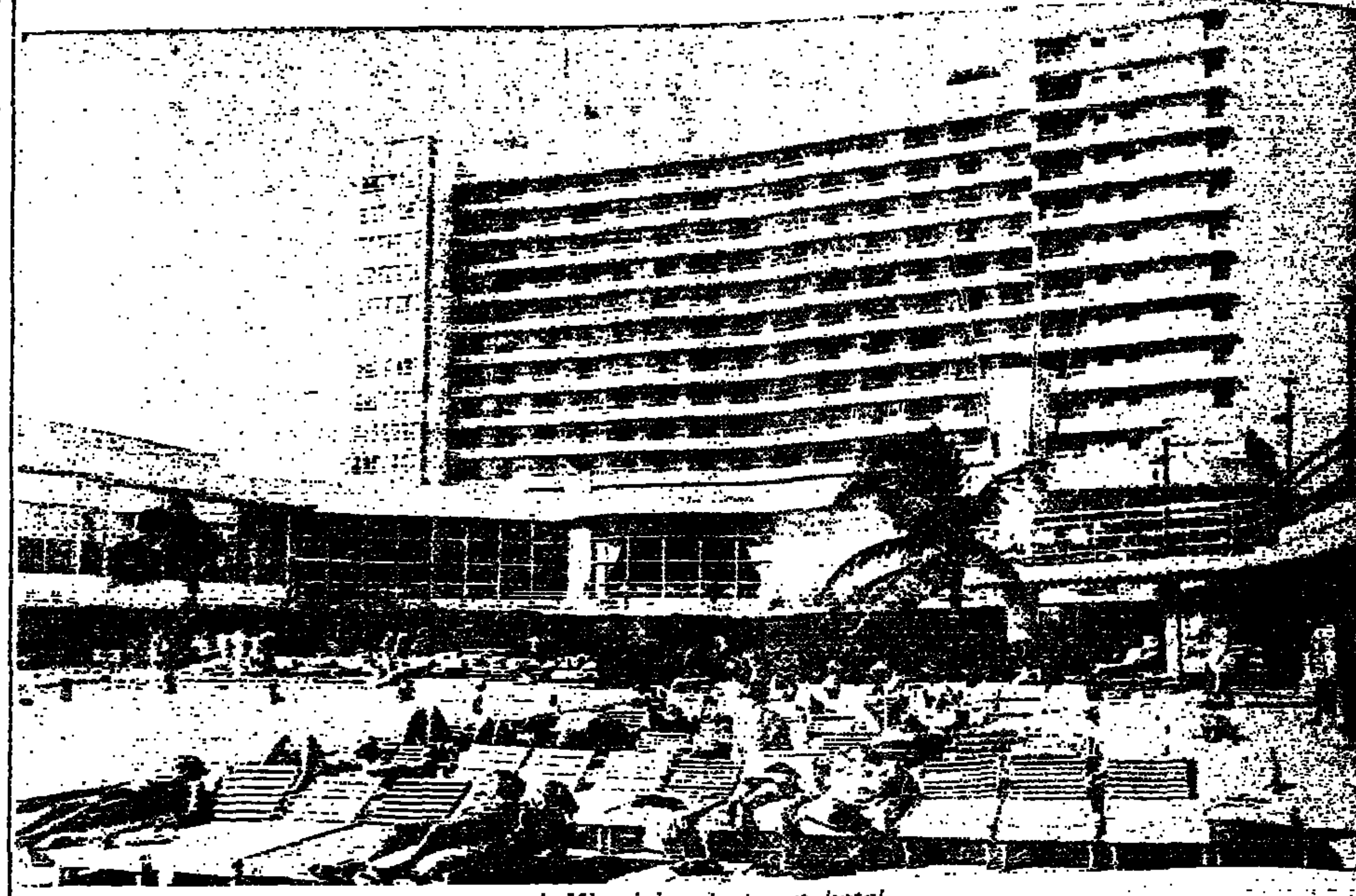
What Florida refuses to offer, at least under Governor Askew's administration, is a tax incentive system of the kind so widely favoured *by* other southern states bent on developing their industrial base. "We are not *giving the state away,"* says Governor Askew, whose attitude is broadly supported by the *state's business community* Chambers of commerce through- out the State are strongly behind the Florida government's efforts to bring in new industry but are opposed to giving the new entrant a tax-based com- petitive advantage.

Competition

Strongest dissent from this view can be found in the north west of the State, which is in direct competition for new in- vestment with South Georgia and *Alabama* to the north, both of which include generous tax breaks in their armoury of in- *centives for potential investors.*

None of the other of the Florida regions are less deter- mined, however, to diversify. In the north east, Jacksonville is striving hard to live up to its reputation as a manufacturing centre. Surprisingly the per- centage of non-agricultural workers involved in manufac- turing for the Jacksonville area is, at 13 per cent, below the average for the State, and there was considerable disappointment earlier this year when Siemens of West Germany and Allis Chalmers decided to establish their joint venture turbine generator plant in the south wests's Manatee County. The capture of this facility, with its 1,000 jobs, is currently regarded as one of the great success stories for the State's newly developed thrust for industrial development. But Florida still has considerable ground to cover if it is to rival some of the achievements of its neighbours.

Last year new industrial in- vestment amounted to $100m, but in Georgia the catch totalled $850m, *in South Carolina $1.2bn* and in Alabama $1.7bn.



A Miami beach resort hotel.

No shortage of building funds

AS HE sketches out the development plans for the downtown Miami area, with their mix of public and private development, not once does Roy Kenzie utter the caveat, "providing we can get the money." According to Mr. Kenzie, director of the Downtown Development Authority, there is apparently no shortage of potential investors in a development plan aimed at developing an interesting mix of government, residential, educational and cultural buildings worthy of a major commercial city. The task in Miami is not, as it is in many northern cities to revitalise a city centre which has succumbed to the urban blight, decay and general dilapidation, for that has already been achieved. Rather the purpose is to create the amenities which will maintain the momentum of development which has already transformed Miami from an apparently incidental adjunct to Miami Beach into an area whose importance now overshadows the fadin gtourist resort at the other end of the causeway.

The fact that there is no shortage of investment for the $700m project does not, in more general terms, mean that Florida is again building up a speculative bubble of real estate investment of the kind which burst so cruelly in 1974, leaving thousands of construction workers unemployed and many thousands of buildings either unoccupied or unfinished.

The Governor's 1978 economic report claims that: "The single-family housing market may be considered fully recovered." New houses are currently being produced at a faster pace than during the 1972 housing boom. This rate of growth may not be maintained but 87,000 units will probably be produced this year and 76,000 in 1979. The construction of multi-family units is still on an upward trend, however, and production is expected to be 42 per cent or 50,000 units higher this year than last and to be 51,000 units higher in 1979. But the report points out that there are still vestiges of overbuilding in the multi-family sector hanging over from the 1972-73 boom, and that there is still some reluctance among financial institutions to finance speculative multi-family properties. The report does not foresee any problems of over-supply and claims that current levels of construction are "consistent with the expected influx of population." On the non-residential front, private construction expenditure is expected to rise 10.8 per cent this year but to drop 1.3 per cent next year," as the result of a general slowdown in activity."

Although the Florida banks are, as would be expected, still deeply involved in construction financing, they claim to have learned their lessons from the collapse of the boom of five or six years ago. On the residential side they are much more cautious about financing projects which do not have firm take-out commitments, that is apartment buildings whose units are not 60-70 per cent presold. They are also much more concerned with the balance sheets of developers.

The broad developments in real estate and construction outlined above mask the diversity of activity and wealth in Florida. For planning purposes the State government divides the area into 11 planning regions, which vary in size and economic and population growth rates. As a consequence real estate and construction activity also varies from county to county. The following is a summary based on the governor's economic report for August, 1978.

REGION 1. This is the extreme western panhandle area, whose population is the seventh largest and whose projected population growth between 1970 and 1980 is 23 per cent compared with an expected 40 per cent for the state as a whole. With the government sector accounting for 42 per cent of all employment, more than double the state and national average, unemployment has been below the state average. At $4,709 per capita personal income is about $1,000 below the state average. Construction is said to have made a steady recovery from the recession and the number of single family residential starts in the first quarter of this year was the highest since 1973.

REGION 2. The Apalachee region, whose largest cities are Panama City and Tallahassee. Population growth is expected to be below the state average until 1990. Per capita personal income of $4,361 is the lowest but one of all regions and the government sector, with Tallahassee the state capital, is again the major employer, accounting for 41 per cent of all jobs. Single family building has staged a strong recovery here although the multi-family sector has lagged. But large public projects either under way or recently completed include the $42m state capital building, the Tallahassee-Leon County civic centre and the 810,000 square foot Governor's Square mall.

REGION 3. The north central region in which Gainesville, home of the University of Florida, is the largest city. Population is the second smallest in the state. Single family residential starts reached a record in 1977. Elsewhere work started this year on a $100m expansion of Occidental Mining Company's facilities.

REGION 4. This is the north-east corner of the state, which includes Jacksonville. The fourth largest region in the state, its construction industry has completely recovered from the recession, with single family starts last year easily surpassing the peak of 1972. Multi-family building is still somewhat depressed but commercial construction is strong. Per capita income is $5,336, slightly below the state average.

REGION 5. The smallest region in the state. The Withlocoochee region is West central Florida and has a population growth which is faster than any other region in the state and double Florida's average. Construction is expected to reach record levels this year in all main sectors. The area is in need of above average development to raise the State's lowest per capita income, $4,163 in 1975.

REGION 6. Includes Orlando, Daytona Beach and Melbourne and also Cape Kennedy and Walt Disney World. Third most populous, total inhabitants grew by more than 46 per cent during the 1960s compared to a state average of 37 per cent. Growth this decade, however, will be slightly under the projected state average of 40 per cent. The value of single family construction starts rose to a record $406m last year, but the number of dwellings actually started was 11 per cent lower than in the previous record year of 1972. But this sector should continue to show strong gains thanks to an announcement by International Construction Corporation of plans for a $600m Levittown in the Orlando area. Per capita income in 1975, $5,310, was slightly below the state average.

REGION 7. Predominantly rural central Florida. Residential construction still not back to 1972 levels but a strong $200m of new non-residential starts in the first quarter of this year is important. Per capita personal income in 1975 was $5,928.

REGION 8. The Tampa Bay region is the second largest in terms of population, and growth between 1970 and 1980 is expected to reach 44 per cent. Private construction is still more depressed here than in many other parts of the State and has still not reached 1972 levels.

REGION 9. The south-west area has been the second fastest growing area since 1970. It has a high concentration of employment in construction, with the result that the numbers of unemployed nearly tripled between 1974 and 1975. Again single family building reached an all-time high but multifamily construction is still well below 1972. Per capita personal income is $6,112, the third highest in the state and about $[illegible] above the average.

REGION 10. Includes Palm Beach and West Palm Beach and ranks fifth in population. Both single family and multi-family construction is said to be fully recovered thanks partly to a significant addition of new jobs in aerospace. Per capita personal income is the highest of any region, $6,545.

REGION 11. Includes Miami and Fort Lauderdale and is by far the most heavily populated. Construction is still lagging behind 1973 levels — multi-family starts in 1977 amounted to 12,009, compared with 70,1[illegible] in 1972 and 78,692 in 1973. But vacancy rates are now said to be low and this could lead to a revival. Personal income at $6,423 is the second highest among the regions.

International banking centre...

ARE several things have taken Florida by in the last 15 years but nothing more so than elopment, centred on as an international bank-ntre. A more precise on would be as a centre aking with, to and for America, because hy and an influx of -speaking exiles in the have proved to be 's blessing.

variety of commercial nships have built up with ntinent to the south, so requirements have ed for export financing, financing, personal and ate financing and corres-t relationships. To some demand has outstripped both of money and se, and a number of money centre banks, by longstanding busi-ontacts, have moved into to fill the void. Florida as 10, shortly to be 11, ed Edge Act corporations, are essentially inter-al departments of large ercial banks chartered egulated by the federal nment but permitted only age in international bank-d finance.

und measure of the actual potential development of ational banking in Florida fact that only New York larger number of Edge orporations. The pace of development has surprised corporations themselves. n Guaranty's Miami office, d 18 months ago, was its Edge Act corporation. The *two had been opened in* xpectation of capitalising developing regional market n Francisco (for Asia) and Houston (for international leum business). In con-on the Miami office was a ous development. Morgan anty did not move its e Latin American desk New York to Miami, but uipped the corporation with ing capital of $25m and ated it responsibility for ral America, including *ico and the Caribbean basin.* Morgan Guaranty this was first time that country and it responsibility had been devolved out of New York.

is understood that the results of the first 18 months have proved so encouraging that the bank has doubled the capital of its Miami corporation. Its success is apparently based on a number of factors which are in addition to the fact that the operator is Morgan Guaranty and therefore has a network of clientele and resources of expertise which can be assumed in a bank of its standing. *According to Mr. William* Bahlke who, with Mr. Ed Hoyt, has been responsible for establishing the corporation, Morgan and other banks engaged in similar activities have found that a significant number of Latin American clients have transferred personal and corporate accounts to Miami in a defensive move against the unforeseen political and economic developments which characterise that part of the world. Moreover, proximity to the Latin American market has facilitated the growth of loans to governments, to corporations and to private entrepreneurs, as well as commodity financing.

Morgan's staff of 27 is very largely locally recruited. "We *are very pleased with the local* recruits. We have tended to go for people who are young and intelligent and trainable. In particular, we are very impressed with what we have seen of the local Cuban population. They have a work ethic which you don't find elsewhere anymore," says Mr. Bahlke.

This observation is one you find wherever people have had experience or contact with the Cuban immigrant population, and there are few other parts of the U.S. where a comparable foreign-born community has won such strong respect among the natives.

There is one other advantage which Morgan Guaranty and other New York banks have *found in doing business out of* Florida. "As we see it taxes are just another cost of doing business and we have found that there is a 13 per cent differential between operating here and in New York," says Mr. Bahlke.

Until recently, Florida regional banks appear to have derived all the business they wanted from the State's remarkable growth in population, services and construction. But they, too, proved extremely vulnerable to the recession of 1974-75, and their heavy exposure to the collapse in the building and property boom spawned a corresponding desire to diversify their loan portfolios. But their development has been *constrained by a number of* factors. There is first of all the problem of getting hold of people with some experience of international banking and a feel for the often more difficult judgments which have to be made. But even if a number of the right people are occupying the right slots, the domestic banks often feel a lack of the economic intelligence apparatus which the New York money centre bank takes for granted. Criticism of the smaller regional banks for their timidity in the international arena may be justfied, but it lacks an understanding of the narrower dimensions in which many of them have operated for a century or more.

To their credit, many Florida banks are alive to the opportunities stemming from their State's development as a hemispheric centre, *and the majors, led by* the South East Banking Corporation and Barnett Banks, are putting real effort into developing their international banking services. At South East, for example, an international department, *which was estab-*lished in the 1950s, but whose activities had become increasingly peripheral, has been strengthened and put under the leadership of Mrs. Sheila Trafari, a former vice-president with First Boston Corporation. Harry Hood Bassett, South East's chairman and a leading advocate of broader economic *development in Florida, says* that the aim is to boost the proportion of international financing in the Bank's total *loan portfolio from 11 per cent* to 20 per cent within the next few years. On the deposit side over one-third of the Bank's $2.9bn of deposits come from abroad with $600m from Central-South America.

Mr. Bassett said that the Bank decided 20 years ago that it would not attempt to take the international route of the money centre majors, such as Citibank, of establishing representative and branch offices overseas, but that it would instead seek to build a network of correspondent relationships abroad. The Bank now has some 500 overseas *correspondents and two repre-*sentative offices, in London and Caracas. Its strategy for building up its overseas business is one which other banks are following or will follow because it is based on an acknowledgement of limited resources. Thus short-term trade financing forms the bulk of the international loan portfolio, and Mrs. Trafari's plan is that as expertise grows so the bank will develop its corporate financing and project financing activities.

A recent but important development in Florida last year was the passage of the International Banking Act, which essentially permits a variety of operations by foreign banks within the State. They can establish representative offices to liaise between their home offices and Florida customers, and again the main impetus for establishing a representative office in Florida is to benefit from its pivotal role in the Latin American business connection. Foreign banks which have taken quick advantage of the Act include Britain's Standard and Chartered and Lloyds Bank.

Mr. Bahlke of Morgan Guaranty remarked during conversation that Florida's enthusiasm for growth in international finance was both genuine and extremely helpful for a new entity looking to do business there. A potentially important reflection of this enthusiasm is the decision by the Board of Regents of Florida International University to develop an International Banking Centre. It is planned to locate the centre in the heart of Miami's financial district and to establish it as a leading institution for education and research in international banking. Its activities will include training programmes for bank executives, analyses of international banking within a regional economy and studies of *the impact of foreign banking* activities on the local economy.

...and a domestic recovery

AFTER YEARS of steady and increasingly complacent growth, Florida banks were severely shaken by the economic recession of 1974-75. Lulled by year on year of spectacular popula-*tion growth into participating in* a feverish real estate and construction boom in the early 1970s, the banks were ill-pre-*pared for the debacle which in* 1975 demolished their earnings, in some cases by as much as a half.

This chill wind found some of the Sunshine's State's banks poorly equipped to cope with austerity. Florida banking was renowned for its rather comfortable lethargy, based on an assumption of apparently inexorable growth for as long as people wanted to retire to Florida or seek a new working life in the State. Moreover, legal prohibitions against branch banking were responsible for many structural inefficiences, which added greatly to the costs of doing business but which seemed assured of longevity under the uncontrite conservatism which ruled in most of the banks.

This conservatism owed something to the somewhat archaic structure with which many of the State's leading bankers grew up. Until 1974, the banking system was governed by legislation passed just before the first world war, which established a unit banking system and prohibited branch banking.

Although the state's economic development provided plenty of growth for banking in the 1950s and 1960s, the need to develop a more sophisticated array of services found some banks lacking in capital and others unable to achieve the economies of scale necessary to carry through modernisation *programmes.* Unable to establish branches, leading banks opted for the creation of multi-bank holding companies. Before *1965, there were just four such* companies, with 21 affiliates, but by 1971 there were 22, with 228 affiliates, and by 1976 there were 32, with 472 affiliates. In 1976 the $19.8bn deposited with bank holding companies accounted for about three quarters of total bank deposits in Florida.

Although common services *can be established within a* holding company structure, the need to maintain boards of directors and managements for *affiliated banks imposed un-*necessary overhead costs, which tended to inhibit further development.

But Florida legislators were no less cautious and conservative than some of the state's bankers, many of whom were pressing for a branch banking system by the early 1970s. In 1973, legislation was passed enabling a bank to operate a branch up to one mile from its main banking quarters: then in 1975 a bolder step was taken, allowing banks to establish up to two branches per calendar year within the limits of the county in which the parent bank is *situated. By July this year some* 150 branches had been established as a result of this legislation, which came into force at *the beginning of 1977. In the* long term this is bound to be a fillip for Florida banking for several reasons.

By consolidating multiple bank subsidiaries within the same counties they can achieve operating and promotional efficiencies and can also, through new branches, obtain new loan and deposit business, *often with only modest capital* investment. An important additional point is that the arrival of branch banking puts the *Florida banks in a very much* better position to compete with the State's savings and loan institutions, which have not been *subject to the same limitations* on branching.

Between 1972 and 1976 the number of S and L associations increased by 65 per cent, from 502 to 828. During this period their total deposits rose 85 per cent from $13.9bn to $25.7bn. This compared with a 35 per cent rise in commercial bank deposits from $19.8bn to $26.7bn, but this advance was achieved through a mere 17 per cent expansion in commercial banking offices. Analysts such as Mr. John Mason of Loeb Rhoades Hornblower see branch banking as offering the prospect of a more rapid increase in *savings and time deposits.* So far there is little evidence that the permissive legislation on branching is creating any risk *of Florida becoming* "overbanked." The main commercial banks have become very cost conscious since the 1974-75 debacle and so expansion is being carefully controlled.

The approach was set out towards the end of last year by Mr. Harry Hood Bassett, chairman of Florida's largest bank holding company, when he told *security analysts that new* branches were costly and did not turn earnings around in the short term. "Also if we con-*solidate our existing banks* within a county, we can build a branch for the new bank without the million dollar capital infusion the regulatory authorities might require for a branch of a smaller bank," he added.

A resurrection of the State's real estate and construction industries and a respectable increase in personal income (which declined in real terms in 1974 and 1975) are both contributing to a recovery of bank earnings in Florida. Loans and deposits both dipped sharply in 1974 and 1975 after a very steep expansion, particularly of real estate related loans in 1972-1973. In his latest economic report, the Governor limits his comment to a terse, "It is clear that bank lending in the State expanded far beyond the financial sector's long run capacity." The effect of the recession and the over exposure in real estate is illustrated more graphically by *the fact that* South East Banking Corp's loan loss provision rose from $4m in 1973 to $10.8m in 1974 and to $17.8m in 1975, and *still stood at $17.4m last year.* At Barnett Banks of Florida, *the second largest holding com-*pany, the comparable figures were $4.5m in 1973, $12.3m in 1974 and $17.7m in 1975. Last year the provision had been cut to $8.4m. At Sun Banks of *Florida, the third largest hold-*ing company, loan loss provision stood at a modest $1.9m in 1973, spiralled to $11.3m the follow-*ing year, $12.4m in 1975 and* stood at $8.5m at the end of last year.

In 1977 earnings at the three *banks started to crawl back* towards pre-recession levels, and this year all three may just exceed the record profits of *boom year 1973.*

A final and little remarked development in Florida banking is the growth of foreign investment. Dr. Mira Wilkins, Professor of Economics at Florida International University, says in a forthcoming book on foreign investment in the state that the passage in 1972 of legislation forbidding foreign financial institutions from owning Florida banks has prompted the somewhat unforseen phenomenon of foreign individuals acquiring control of banks. Thus Intercontinental Bank is owned by a Spaniard, while Ecuadorians and Venezuelans have acquired *control of other smaller com-*mercial banks.

New trade zones may help to bring in industry

ASKED TO predict the likely development of the Miami area, indeed of most of Florida, one New York banker thought that he saw a Hong Kong in the making. One of the reasons for the comparison was the quite startling efforts and resources now being put into developing the State as a major entrepot area through the establishment of foreign trade zones, alternatively known as free trade zones.

Florida's first was established in the last few months at Port Everglades; a second will open close by Miami Airport in November; and an application has been made to establish a third at Orlando Airport.

Assuming that Orlando is given the go ahead these facilities will place Florida in the forefront of the "free trade zone industry," whose development in the U.S. is little remarked but whose origins date back to New Deal legislation establishing the Free Trade Zone Act in 1934. The aim of the legislation was to create new employment through establishing a nucleus or economic growth point for a particular area.

There has been no brush fire development of Free Trade Zones in the U.S. The total complement at the moment is 28 out of approximately 225 which have been created throughout the world. However, as trade has developed in importance to the American economy, so have free trade zones grown in attraction to state and municipal bodies looking to plant fresh seeds for local development.

Strengthen

The establishment of free trade zones in Florida will almost certainly strengthen the State's emergence as a gateway to Latin America. Principal users of the zones appear bent on exploiting the excellence of communications with South America, the existence of a formidably bilingual and bicultural population in South East Florida and of a banking system which is actively seeking to expand its activities in trade financing.

In essence a free trade zone is an area which is considered, for customs purposes, as outside the U.S. Goods shipped into the zone are free from liability to duty until they are released into the U.S., while those brought into the zone and then shipped on abroad are not liable to any duties at all. The zones are substantially different from bonded warehouses in that goods can be assembled or produced within their boundaries for entry into the U.S. They can be exhibited there, stored indefinitely and are subject to fewer bonding requirements. More particularly a free trade zone offers the importer more flexibility of operation and the prospect of greater efficiency. Thus an importer who has moved goods into the zone has a better opportunity to ensure that his shipping documents are in order because he has no obligation to pay duty until he moves the goods out of the zone into the U.S. at a time of his own choosing. Moreover, he should be able to obtain more accurate determination of value and proper tariff schedules from customs officers because he can submit samples and in the process avoid any possibility of subsequent revaluations and reclassifications.

But the possible advantages go far beyond smoothing relations between importers and the U.S. Customs Service. Many U.S. manufacturers, particularly in electronics, export components for assembly to overseas plants and then reimport them for onward sale in the U.S. Some have taken advantage of the free trade zone at San Jose in California to set up testing facilities within the zone and so to avoid the payment of duty on faulty work which is either scrapped or returned overseas. Obviously no duty is paid on completed products which are re-exported overseas.

Free trade zones also have an appeal for manufacturers who use both imported and domestically produced materials and who export the finished product either overseas or into the U.S. The manufacturer of products destined for overseas is not liable for duty on any materials which are scrapped within the zone, while those goods for sale in the U.S. market can be assessed either on the basis of the imported materials incorporated in the finished product or on the finished products excluding the value of components identifiably originating in the U.S. Thus, the manufacturer whose production is exclusively destined for overseas markets will save money by not paying any duty on imported components.

Additionally, the removal of an obligation to pay customs duties until goods are shipped out of the zone reduces the carrying costs of inventories as well as of insurance. Also, goods which are subject to U.S. quotas can be stored in the zone pending release in the next quota period. Lastly, all merchandise is likely to be more immune from theft because of the tight security which surrounds the zones.

Formidable

Although the list of advantages offered by a free trade zone is formidable there are, inevitably, a number of offsetting costs. While leasing warehouse space may not involve much additional expenditure, the establishment of offices and showrooms within the zone represents some kind of financial burden. In addition, the user will probably be liable to administrative fees charged by the zone's management to provide customs clearance and security services. Users are also subject to the normal U.S. tax laws and their income may therefore be taxable.

The operator of the Miami zone, the Miami Free Zone Corporation, believes that its facility represents a major development in the concept. "This zone will be differentiated by the fact that marketing activities are being developed more comprehensively alongside traditional warehousing and assembly activities," says Miss Cecilia Allman, a vice-president with the Corporation. When completed by the end of next year, the 800,000 square feet of construction on a 73 acre site five minutes' drive from Miami International Airport will encompass centralised exhibition areas, warehousing, light industrial manufacturing assembly, and quality control facilities and fully computerised customs inventory control systems.

The first phase of the facility is already fully let and its space will be occupied by 107 tenants, 75 per cent of which are foreign companies whose product lines range from general merchandise to auto truck parts, ceramics, electronics, clothing and jewellery. It appears that many have been attracted by the exhibition facilities, which include 58 shops in each development.

In fact, most of the products which find their way into the Miami zone are expected to be re-exported to the continent to the south, with perhaps as much as 75 per cent of the volume using the nearby airport gateway. The first phase of the development is expected to provide jobs for about 1,000 people.

If the emphasis at Miami leans somewhat towards marketing, the sponsor of the proposed Orlando Free Trade Zone, the Greater Orlando Aviation Authority, is looking specifically to encourage manufacturing activities. The vast expansion of tourism and related services in the area has reduced the proportion of its workforce involved in manufacturing from 20 per cent in 1960 to 12.2 per cent in 1977, and this according to the Aviation Authority is "a disturbing structural trend." The Authority has established a "foreign trade zone user committee," which has been set the task of seeking out and encouraging the establishment of light manufacturing which it hopes to attract to the zone. A survey of manufacturers in the six counties of East-central Florida has indicated a strong interest among local electronics manufacturers, which include Martin Marietta, General Dynamics, General Electric, Stromberg-Carlson and Scott Electronics. The survey findings have encouraged the Authority to believe that in addition to electronics, an Orlando Free Trade Zone could attract sporting goods manufacturing and/or warehousing and agricultural equipment.

Meanwhile, foreign companies are heavily represented at the Port Everglades free trade zone, which covers an 82-acre tract near the port. Tenants of the 140,000-sq ft manufacturing area include a shoe producer, manufacturers of various electronic products and a copy machine builder.

Hard won profits on the farm

FLORIDA CONJURES up many images. Some will see mile after mile of golden sand and acres of contoured flesh; others mile after mile of golden oranges or a land carpeted from horizon with swaying sugar cane and sweet corn. Both are images of Florida. Both depend on its sun-rich climate and both are vital for the State's economy. Important as the sunshine is, however, the profitability of Florida agriculture today is dependent on many other factors. Not all the natural features of the State have by any means worked in the favour of its agricultural development. The profitability has been hard won.

Less than half the land area is in agricultural production, and in approximately one fifth of the counties the proportion is considerably less, although forestry pushes the total up slightly. Although the climate is usually described as sub-tropical, killing frosts occur in all except the very southernmost parts in most years. Indeed Florida must be one of the few areas where frost-scorched mahogany trees can be seen. Rainfall is high but irregularly distributed and most falls during the summer. As a factor influencing agriculture, moreover, it is inseparable from topographic or soil factors, for much of Florida is low-lying and poorly drained. It has been by the improvement, through drainage, of such areas, that much of the profitable winter vegetable and sugar cane bearing land of the southern counties has been obtained.

As elsewhere in the U.S., the trend in Florida has been to fewer, larger and more highly specialised agricultural producers. Some 80 per cent of farm products now come from around 20 per cent of the farms. Florida has differed from the general national trend, however, in respect of farm employment, for here the situation has been stable for some years, and around 130,000 people are now employed directly in agriculture with many more in associated industries. It has been estimated that of 2.7m jobs in Florida, one quarter are agriculture-dependent. It is perhaps significant that the harvesting and handling of some of the most important crops like citrus, vegetables and sugar cane are not easily mechanised.

Florida agriculture is diverse: products range from beef to beans, from pigs to pot plants. And in between come trees, tobacco, tomatoes and turf; shrimps, ducks, watercress and honey; an agricultural pastiche in which it is nonetheless possible to see two major divisions. On the one hand there are many products geared essentially to the needs of the State. On the other hand, however, are a few for which Florida is a major supplier to the national market. The most significant of these are citrus and winter vegetables, although even a lesser product in this category such as ornamental pot plants now grosses $100m annually. Even though there is growth in most facets of agriculture therefore, it is appropriate to examine most closely those of greatest national importance.

Citrus

For many people agriculture in Florida means citrus. It is the largest agricultural enterprise in the State and contributes one quarter of the total farm income. The scale of production is prodigious. An indication of this can be gained from the fact that, although the State markets more fresh citrus than all the other fresh deciduous fruit in the U.S., this is a relatively small part of the total crop, most being sold as frozen concentrate. And anyone with more than a passing acquaintance with the American way of life will appreciate what the supplying of 95 per cent of the nation's concentrated orange juice must mean.

Florida citrus production is almost restricted to the south of latitude 29 degrees N, this corresponding with a mean annual temperature of 21 degrees C. The huge rolling citrus groves are concentrated on the warm sandy soils of the central ridge. The area is vast indeed and has at times almost reached 1m acres. Necessarily, production is impressive also, and the small producer with under 10 acres is now becoming a rarity, unable to compete with large corporations and co-operatives.

A State Department of Citrus, together with The Department of Agriculture and the U.S. Department of Agriculture oversees all aspects of production. Fruit and planting stock standards are maintained rigorously and marketing concerns must be licensed. Marketing has changed interestingly in recent years, and buyers from the 12 largest supermarkets now purchase almost all the fresh crop.

Undoubtedly citrus production is profitable. The capital investment is high, however, and trees may be 10 years old before they produce a commercially viable crop. Most significant of all, less than 1 per cent of the processing crop is machine harvested, although an investment of many millions of dollars into research suggests that this may improve. Prospects for mechanical harvesting of fruit for the fresh market, however, are still described officially as "dim." An industry that, in the height of the season, requires an additional force of casual labour approaching 27,000 can clearly increase its profitability still further.

Because the labour requirement is seasonal, it is rendered uncertain, and this, combined with the seasonal underutilisation of machinery, presents a challenge to the industry to lengthen its harvesting season. Two obvious ways in which this might be achieved are the development of earlier maturing grapefruit and the establishment of techniques for longer retention of fruit on the trees.

It is curious, moreover, but perhaps inevitable that the grading standards for fresh fruit are based largely on visible peel quality. If these standards were lowered, and the public would accept more skin blemishes, production costs could fall, especially in respect of the application of pesticides for cosmetic reasons, while fruit quality would not be affected. Although virtually without rival in the U.S. therefore, the Florida citrus industry is not without its difficulties.

In Florida's second major area of contribution to national horticulture however, it has considerably greater competition. The State is the major producer of American fresh winter vegetables but is closely rivalled by California (which differs, of course, in that its production is year-round) and also closely challenged by Mexico. The establishment of any vegetable industry in Florida has been a remarkable achievement in the face of enormous natural odds such as the intensely hot and humid climate, the poor drainage and low fertility of many of the soils, the veritable battalions of

CONTINUED ON NEXT PAGE

Transport network well able to cope

:ographical dog leg of , Florida's somewhat al location has been a -tage in attracting direct .l investment. But a ion of natural endow- uch as 14 deepwater ie need to handle more n tourists a year and imity to Latin America irred the development munications facilities ıre nothing short of .. All credit is due to e and local authorities private investors, who ticipated many of the velopments in Florida's over the last few years have created a system ır airports, ports and hich in all important have met the new es facing the State.

...x

9.4 per cent growth in population between l 1976, coupled with the influx associated with ıch of Disneyworld at . has done more than to establish a spider's domestic and inter- air links. In fact, there public airports scattered out the State, and every resident lives within s of at least one of rports. Fifteen of the enjoy scheduled and/or international rices, provided by more passenger and com- airlines. Most of the trunk carriers run into Florida and non- hts from the 15 leading airports provide ed air links to more than jor U.S. metropolitan In addition the growth ami and Tampa as nt gateway cities into and, to a lesser extent, Lauderdale and West Beach has brought a significant volume of international services.

Miami International Airport's development is one of the keys to the impressive economic and commercial growth of the Dade County area. It now ranks second to New York as an overseas gateway, with non-stop flights to and from 53 international points.

Miami International is now served by 43 airlines which provide direct air links to over 65 non-U.S. cities in the Western Hemisphere. In the past two or three years there has been a greater emphasis on developing links to Europe, and both National Airlines and British Airways fly non-stop to London. In the past 18 months, National has also added services to Paris, Amsterdam and Frankfurt, and according to Mr. John Andersen, the airline's senior marketing vice-president it foresees considerable traffic growth on these routes over the next few years. It is hoped that much of this will come from tourism, and National is putting a lot of effort into spreading the message in Europe that there is more to a holiday in Florida than Miami Beach. Final preparations are now being made for a seminar in Frankfurt in November, which will be a joint venture with the State's Department of Commerce, and a film has just been completed which should receive public showings in a number of European countries. A wad of guides and brochures are also being printed "in an effort to try to do for the Europen what is done for the American tourist going to Europe who does not know much about where he is going to," says Mr. Andersen.

National and other airlines are hoping that tourists from Europe will help to iron out the seasonal troughs of their services into Florida, which are, however, much less deep than they were. "Our objective is to build better winter business coming westbound but also to increase the traffic in the traditionally flat 'shoulder' periods of early autumn and just after Easter," explains Mr. Andersen.

While tourism and population movement have been key factors aiding the Miami-based airline's development over the past 15 years, the new emphasis on economic diversity is also bringing its benefits. Such has been the growth in cargo in recent years that National is now actively considering whether it should start cargo only services. Miami International handles £1bn of cargo a year, and the annual growth rate is 22 per cent. International cargo accounts for 74 per cent of the total and is growing at the rate of 27 per cent a year. This growth rate looks likely to become even more impressive after the opening in November of the first phase of the projected free trade zone, just west of the airport.

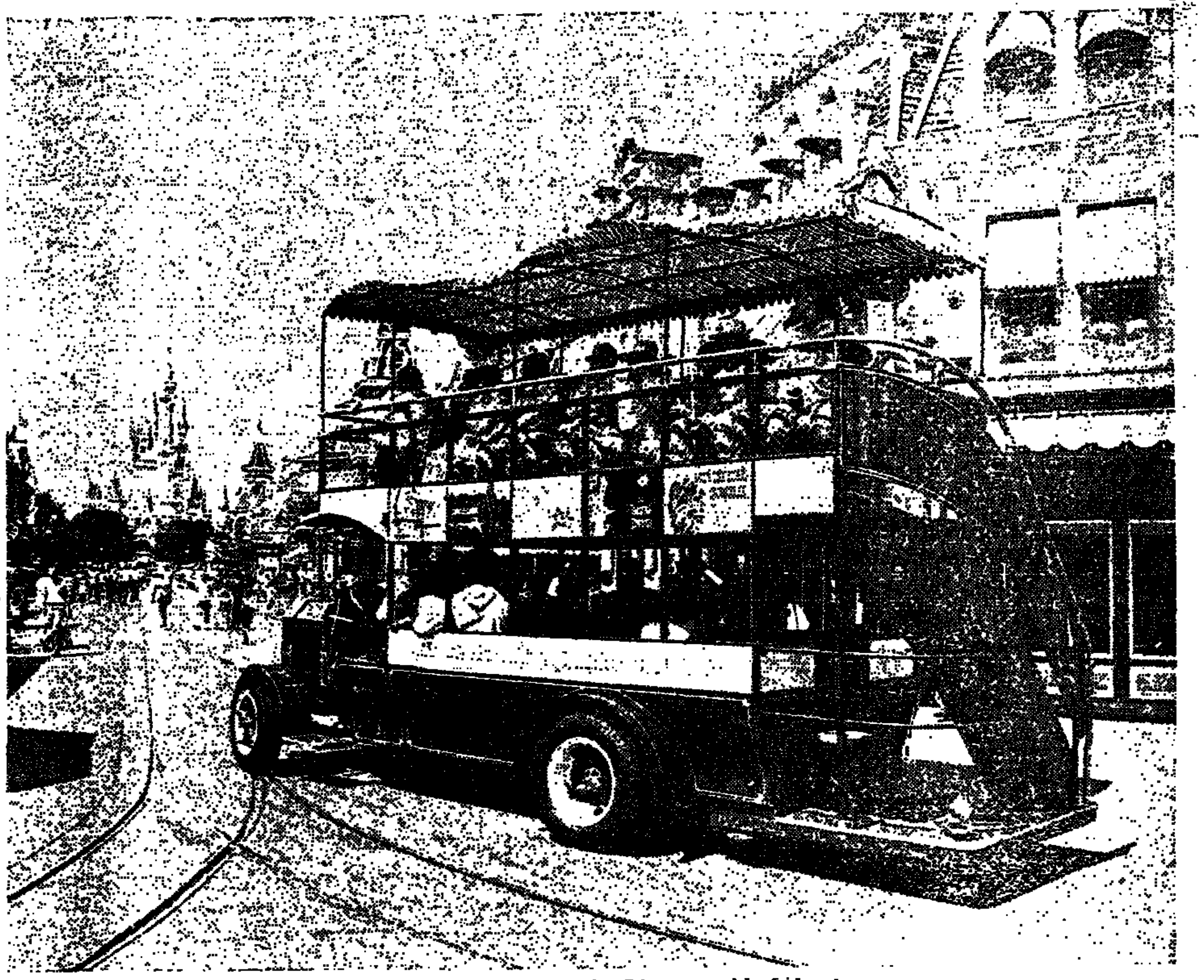
An important footnote to the development of air freight is that because Florida is a net importer of cargo, the freight rates on shipments originating within the state and destined for the Midwest and North East are lower than on freight flown into Florida.

Easier

Ocean shipping into Florida is considerably easier than it is into many other coastal states because of this remarkable natural advantage of 1,300 miles of coastline featuring 14 deepwater ports with a minimum draft of 27 feet. Heavy investment has kept most of these ports up to date with the latest developments in cargo handling, and the goods which pass across their quaysides underscore some of the basic elements in the Florida economy. Thus the woodlands of the north and north west of the state generate a large volume of paper and paper products, which find their way out through ports such as Pensacola, Fernandina Beach, Jacksonville, Port Canaveral and even Miami. Steel and steel products for the construction industry feature prominently in the list of commodities handled by Miami and Port Everglades to the north, while Jacksonville is an important entry point for automobiles and coffee. The *phosphate rock which is mined* in central and western Florida has been the seed of growth for the development of the Port of Tampa, which is now the eighth largest in the U.S. and the largest in Florida on the basis of tonnage handled. More than 3m tons a year of liquid sulphur and other ingredients for the manufacturing of fertiliser pass through Tampa every year en route to the 14 fertiliser plants in the area.

With the trend towards the use of ever-larger ships for the carriage of this and other bulk products, some $130m of Federal funds are being spent on deepening Tampa's major ship channels from 34 to 43 feet. Another *important development* for the port area was the opening in July of the American Shipbuilding Company's $23m dry dock facility, which offers the largest shiprepair berths between Norfolk, Virginia and New Orleans, Louisiana.

Once goods have crossed the quayside at Tampa and most of the other deepwater ports, they can take advantage of 82,000 miles of roadway, providing access to virtually all parts of the State and to major Federal highway routes which criss-cross the U.S. Finally, Florida is served by 12 railroads operating over more than 4,500 miles of inter-State track. Four of the railroads operate nearly 30,000 miles of track to most parts of the south-east U.S. and also to New Orleans, Dallas, Oklahoma City, Wichita, Kansas City, St. Louis, Chicago, Cincinnati and Washington DC.



A view of Main Street in Disneyworld, Orlando

Farm

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potential pests and diseases and the geographical location of the State which hardly facilitates nation-wide distribution.

The highly profitable winter production is concentrated on the drained Everglades swamplands to the south of Lake Okeechobee. The heat is contended with by lavish shading of the plant-raising beds, while pesticides are applied almost daily. Almost every type and size of enterprise is involved in the vegetable industry, but the best and the biggest are corporations and grower co-operatives with their own shipping organisations.

A significant factor in at least one important aspect of Florida vegetable production has been the increase in recent years in the always popular American custom of "eating out." One third of all American meals are consumed away from home, and it is to such institutional outlets that around one third of all fresh tomatoes are destined. This is why tomatoes account for a quarter of the total Florida vegetable income. It is also why the Mexicans have not stood still and why their tomato exports to the U.S. now equal the total Florida production. Such challenges are nothing new to Florida's farmers and growers, however, and they look forward expectantly to capturing the new market created by the Mexicans.

Tomatoes, although the most valuable vegetable, are not the biggest in terms of acreage. That position goes to sweet corn, but this is now perhaps the most vulnerable crop and one that is likely to decline significantly because of increased urbanisation of suitable land and because of public and official resistance to its liberal use of aerially applied pesticides. It is also typical of the entire vegetable industry, however, in that its production is by and large efficient but its post-harvest handling and distribution has let the growers down badly.

Agriculture is the fastest expanding Florida industry. How it will continue to be so seems to depend on two major factors. The first is its technological response to challenge such as increased competition from other suppliers and increased urbanisation of agricultural land. The second is the provision of adequate capital and credit facilities. Already a trend is being seen towards increased renting of farm land — it has been officially recognised that "full ownership of all productive resources by the farmer may not be possible or practical in modern agriculture . . . tomorrow's farmers may seldom be free of debt." The problem faced by the financiers of agriculture will be increasingly to make loans to farmers assessed on estimates of their cash flow and general managerial ability rather than on their possession of real estate or other collateral. The farmers and processers must face this challenge and make their enterprises financially attractive. For the single crop operation such as the sugar cane processing industry, however, no-one doubts the difficulties that this challenge inevitably must present.

Nicholas Edward

LOMBARD

Aunt Agatha and the banks

BY MICHAEL BLANDEN

ARRANGEMENTS FOR supporting small businesses in other countries are widely felt to be better than those which are made in the UK. In the continuing debate surrounding the Wilson Committee and the work of Mr. Harold Lever a number of suggestions have been made for improving the flow of finance to the small company and for making it cheaper, whether by improvements in the private sector or by Government subsidy.

Critical

Not surprisingly, bankers are reluctant to see an extension of official intervention in the loan market, particularly if it would mean that they would be brought under pressure to undertake lending which they would not provide on normal commercial grounds. And they tend to be critical of the various kinds of special support available abroad. This emerged clearly in the papers given at the recent seminar held in Cambridge by the Institute of Bankers, which this year concentrated on their relationships with the small business sector.

Yet even allowing for the natural prejudices of the speakers, the papers demonstrated that by and large the actual contribution made to small business growth by special financing arrangements is modest in most of the countries which have gone in for this approach. Far more important for the health of the sector are the general climate of the economy, the attitudes of officialdom and the willingness of the Government to keep down the level of taxation.

Mr. Tim Bevan of Barclays commented briefly on the arangements in a couple of European countries, as well as the U.S. In relation to West Germany, he drew attention to the activities of the regional credit guarantee companies and the strength of the decentralised savings and co-operative banks, as well as other forms of special support. "The German approach to small business has been very methodical; not only has the sector been encouraged by cheap finance, it has also benefited from the various policies and programmes that have been introduced by the government over the years."

In France, there were a number of specialised institutions, state-owned or subsidised, serving the small company. Yet "despite the assistance available in France and the strength of the small firm lobby, the financing of small firms is still considered a problem area," Mr. Bevan commented.

Perhaps the most enlightening contribution, though, came from Mr. James C. Kearney of Bank of America. The U.S. has long experience with the Small Business Administration, which has been held up as an example in this country, as well as with the small business investment companies created as a result of 1958 legislation. Neither, Mr. Kearney indicated, could be regarded as an unqualified success.

The SBA has been in existence for more than 20 years. Its detractors, Mr. Kearney said, "quickly point out its historical susceptibility to political pressure, change and misdirection: a lack of planning and foresight: and an assemblage of programmes which lack focus or cohesion." Similarly, the SBIC industry had "suffered the consequences of mismanagement and poor investment decisions during the early years of the programme." Nevertheless, he added, the SBA had achieved some notable successes and the SBICs were an important source of long-term debt and equity for small firms.

The general feeling which emerged from the meeting was that the greater role played by the small business sector in other countries was not mainly attributable to official intervention in the form of State-backed agencies or subsidised lending.

Attitudes

Inevitably, it is the clearing banks with their extensive branch networks which will have to continue providing the bulk of finance, and to an increasing extent financial advice, for small businessmen. Mr. Bevan admitted that there was a good deal to be done in the way of narrowing the gap in outlook and attitudes between the entrepreneur and the bank manager, and that special training could be required to give the manager a proper understanding of the problems involved.

The Government might consider some form of guarantee scheme on a commercial basis. But its most helpful contribution, the bankers felt, would be towards reducing the "Aunt Agatha gap"—the lack of private sources of capital to support small businesses, resulting from the tax treatment of private wealth and the encouragement given to institutional investment outlets such as pensions and life assurance.

The Banks and Small Businesses; Institute of Bankers; to be published on October 5 at £2.

The tourists' last resorts

VIOLENCE in Northern Ireland has played havoc with the tourist industry of the province. Portrush and Portstewart, sister towns in Ulster, which had been key holiday resorts, face the prospect of becoming ghost towns. Even officials at the Northern Ireland Tourist Board, who have reason to be professionally optimistic, somehow manage to convey the impression that these resorts are down-at-heel; that the warm air from the Gulf Stream flaps through mostly empty deckchairs; that the few hotels are echoing and empty; that the bars and amusement arcades are largely shuttered and closed.

It is not quite that bad, since the Northern Irish go on holiday themselves. Portrush, which is a peninsula thrusting three-quarters of a mile into the Atlantic, has a number of amusement arcades, plenty of pubs, and lots of shops full of the usual tourist bric-a-brac such as hats, buckets and spades, leather goods, and ashtrays engraved with maps of Portrush.

The Portrush-Portstewart area is heavily Protestant, as the innumerable Union Jacks flying from little pipes jutting out above first-floor windows testify. But in the ten years of turmoil there has only been one serious incident: that was in 1976, when a bomb went off in a Portrush amusement and shopping arcade. There were no injuries. However, the two towns have suffered for the violent reputation of the Province as a whole, and they have been particularly badly hit, since most of the outside-visitors were Scots making the short crossing from the mainland.

The latest figures for the area show that last year there were 500,000 day-trippers, all of whom were Northern Irish, 150,000 people taking short holidays (one to three nights), again virtually all Northern Irish, and only 90,000 visitors spending more than three nights in the resorts. Of these, 90 per cent came from Northern Ireland, 5 per cent from the Republic, and a mere 5 per cent from elsewhere. Before the "troubles" 60 per cent of all foreign visitors came from Scotland.

BY STEWART DALBY

Present-day spending by the people from outside Northern Ireland is just about £5m. Occupancy rate in the hotels is well below 40 per cent, even in high summer, and many are kept going only by the takings at the bars. The corollary is that there are fewer jobs in the area than there might be.

Portstewart, which is more sedate, is on a small curving bay with rocks up to the promenade when the tide is out. There is a picturesque small harbour at one end and an imposing silver castle on the edge of a clifftop at the other end. Portstewart is like an elderly relative of the brasher Portrush, six minutes' drive away. If daytrippers provide a certain level of life—certainly enough to keep the places trim—it must be said that even to a casual first-time visitor it is obvious that the towns have seen better days.

Few outsiders go to Northern Ireland for a holiday any longer. The Tourist Board says that in 1977 there were 457,000 visitors, who brought in £32.1m. In 1968, before the "troubles" began, the Province saw 1m tourists, who spent £28m. In other words,

AROUND BRITAIN

ULSTER

after allowing for inflation there has been a very steep decline of earnings, and the number of visitors has been halved. Moreover, most of the visitors were visiting friends and relatives. The Tourist Board says that in addition there were only 8,000 tourists who came from outside Northern Ireland.

The region is not in such dire straits as far as jobs are concerned as, say, Newry, a town farther south, near the border, where unemployment is more than 30 per cent. The hinterland of Portrush and Portstewart is rich agricultural farming land. Three American companies—Monsanto, Pickering Foods and AVX—have plants in the area.

A revival of tourism would add a very welcome fillip to employment in the area, particularly among women. There is very little alternative life for Portrush and Portstewart. Northern Ireland does very little commercial fishing and it already has as many ports as it needs.

The sad thing is that the area is intrinsically a wonderful place for a holiday. The Antrim coast road to Portrush and Portstewart must be one of the most stunning and beautiful drives in Europe, if not in the world. H. V. Morton, that indefatigable traveller, said in his book, In Search of Ireland: "On a day of brilliant sunlight, it is finer to my mind than the Corniche road in the South of France."

The entire coastline, with the sea lapping at the coast road and Islay and Kintyre dimly visible in the Scottish distance, is nearly 300 miles of dramatic cliffs dropping to the sea, pretty coves, castles, beaches, glens and fishing villages. And since the traffic in Northern Ireland is only one-third as heavy as in the rest of the UK, the drive can really be enjoyed.

The coastline at Portrush: beauty, but few beholders

There are plenty of sights to see, not least the Giant's Causeway, a series of huge rocks forming a staircase of enormous stepping-stones into the sea. Portrush and Portstewart have plenty of amenities and several golf courses, including the famous Portrush course. There are opportunities for boating and fishing, and for swimming from clean beaches.

The Tourist Board says there are signs that as violence diminishes, tourists from outside the province are beginning to return. I saw little evidence of it, although there were, perhaps, a few faint signs. At the Ballycastle Hotel a French family was reported last week and an American family the week before that. At my h[otel] in Portrush, the North[ern] Counties, which with its sta[ined glass] wood staircase, its Wi[lton] carpets, as well as its ma[ss] of old silver cutlery on [the] dinner tables simply ex[udes] departed grandeur, there w[ere] two French families. They [had] come for the first time. [One] of them said that they li[ked] the lack of bustle and wo[uld] come again.

Unfortunately, since th[ere] does seem to be a close corr[ela]tion between violence and [the] absence of tourists, it is goi[ng] to need a period of calm bef[ore] tourism does build up a[gain] before Portrush and Po[rt]stewart return to their form[er] glories.

Creetown beats Vaigly Great

RACING

BY DOMINIC WIGAN

IT MAY have been a case of going to the well once too often with Vaigly Great yesterday. The extraordinarily impressive winner of Ayr's Burmah-Castrol Gold Cup a few days ago could find nothing at the end of the Diadem Stakes and finished a well-beaten third behind Creetown, who won by 2½ lengths from Springhill.

Creetown, owned by Mr. Richard Gilpin, whose Newmarket bloodstock agency has been very much in the news in recent months, was produced inside the final furlong and won going away in impressive style strictly on merit.

A bay son of Tower Walk out of the Le Lavandou mare Lavella, Creetown, a bay six-year-old, may now have considerable appeal as a stallion. He has won on every sort of going—scoring at Brighton four times, Kempton, Epsom, Sandown and Wolverhampton.

In his last race before yesterday's Group race triumph, Robert Street's mount was narrowly beaten by the exceptionally fast King of Macedon in an £11,000 to the winner event at Maison Lafitte a few days ago.

If there was an unlucky runner in the field, it was almost certainly Mofida, blinkered for the first time. Mr. Robert Sangster's game mare met with slight interference when running about; approaching the final furlong marker. At the finish she was little more than three lengths behind Creetown in fifth place.

Inkerman and Sexton Blake, the winner and runner-up in last Saturday's Joe McGrath Memorial Stakes at Leopardstown, are among the acceptors for the Irish St. Leger at the Curragh on October 7. Others who have stood their ground include Ile de Bourbon, Le Moss, Remainder Man, Icelandic and Sorbus.

Although Sexton Blake is clearly a possibility for next month's almost-invariably uncompetitive event, I shall be more than surprised if Inkerman, Ile de Bourbon, or Remainder Man take the field.

Vincent O'Brien said a few days ago that he considered Inkerman already to have done enough for this season, and that if he did race again it would be in the U.S. next year. Ile de Bourbon would almost certainly go for a more valuable prize with greater prestige, were he to be seen in action again this term.

Remainder Man, who played up in the preliminaries before running badly in the Sweeps Derby on his only previous visit to Ireland, has had a more arduous season than almost any other high-class middle-distance performer in training and, judged on his recent poor showing in the Doonside Cup, he too, would benefit from a long lay-off.

This, I hope, he will be given by his successful handler, Reg Hollinshead, who produced him for the first of his 10 races this year at Haydock on April 5. There, Remainder Man made light work of giving a stone to the subsequent Britannia Stakes fourth, Silver Lord in a valuable handicap.

This afternoon at Ascot, I shall be disappointed if the once-raced Pluvial cannot take advantage of a 6 lb turnabout in the weights with Quiana in the Michael Sobell Stakes. At Newbury on Saturday, Pluvial, somewhat unlucky in running, was beaten less than two lengths by Quiana.

ASCOT
2.15—Kilroy Hawk*
2.50—Track Ally
3.25—Connaught Crescent**
3.55—Carey's Choice
4.30—Pluvial***
5.05—Louveciennes

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 9.30 For Schools, Colleges. 10.45 You and Me. 11.05 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Trumpton. 2.02 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2 11.00 am). †4.20 Champion the Wonder Horse. 4.45 Captain Caveman. 4.55 Crackerjack.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 "Carry on Cowboy" starring Sidney James and Kenneth Williams.
8.30 The Fall and Rise of Reginald Perrin.
9.00 News.
9.25 Target.
10.15 Tonight—In Town (London and South-East only).
10.45 Regional News.
10.50 The Late Film: "Charly" starring Cliff Robertson.

All Regions as BBC1 except at the following times:

Wales—1.45-2.00 pm Nant-y-pant. 5.55-6.20 Wales Today. 6.55 Daffy Duck. 7.00 Heddiw. 7.30 Cawl a Chan. 8.00-8.30 Dad's Army. 10.15 Kane on Friday. 10.45-10.46 News for Wales.

Scotland—10.23-10.43 and 11.05-11.25 am For Schools. 5.55-6.20 pm Reporting Scotland. 10.15 Tormod Air Telly. 10.45-10.46 News for Scotland.

Northern Ireland—10.23-10.43 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Gallery. 10.45-10.46 News for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich): Look North (Leeds, Manchester, Newcastle): Midlands Today (Birmingham): Points West (Bristol): South Today (Southampton): Spotlight South-West (Plymouth). 10.15-10.45 East (Norwich) Newscue: Midlands (Birmingham) Happy Birthdays: North (Leeds) Mr. Smith Steps Out: North-East (Newcastle) Friday North; North-West (Manchester) Home Ground: South (Southampton) Report South; South-West (Plymouth) Peninsular: West (Bristol) Factory 111.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.00 pm Racing from Ascot.
4.55 Open University.
7.00 News on 2 Headlines.
7.05 Children's Wardrobe.
7.30 News on 2.
7.35 Expert Opinion.
8.05 Top Crown.
8.30 Wuthering Heights.
9.25 Selected Horizons.
10.15 Sounds Like Friday.
11.00 Late News on 2.
11.15 Rock Goes to College.
11.55 Closedown (Reading).

LONDON

9.30 am Schools Programmes. 11.54 Beany and Cecil Cartoon. 12.10 pm Hickory House. 12.30 Country Style. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Farmhouse Kitchen. 2.00 Money-Go-Round. 2.25 Racing from Redcar. 4.15 The Flockton Flyer. 4.45 Magpie. 5.15 Thames Sport.

5.45 News.
6.00 Thames at 6.
6.30 Emmerdale Farm.
7.00 The Krypton Factor
7.30 The Rag Trade.
8.00 3-2-1.
9.00 The Foundation.
10.00 News.
10.30 Police 5.
10.40 Soap.
11.10 The Friday Film—"The Vampire Lovers" starring Ingrid Pitt and Peter Cushing.
12.40 am Close . . . with a Finnish landscape: music is by Jean Sibelius.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 5.15 Bygones. 6.00 About Anglia. †10.30 Friday Late Film: "Separate Tables." 12.15 am Christians in Action.

ATV

1.20 pm ATV Newsdesk. 5.15 Happy Days. 6.00 ATV Today. 10.30 Soap. 11.00 The Creature Feature: "Willard" starring Ernest Borgnine and Elsa Lanchester.

BORDER

†1.20 pm Border News. 5.15 Garnock Way. 6.00 Lookaround Friday. 6.30 Firehouse. 10.30 Late Film: "The Wild and the Brave." 12.15 am Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's on Where. 5.15 Emmerdale Farm. 6.00 Report at Six. 6.35 The Lost Islands. 10.28 Channel Late News. 10.32 The Late Movie: "Connecting Rooms." 12.20 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 5.15 Emmerdale Farm. 6.00 Grampian Today. 6.25 Top Club. 7.30 Davy's Singalong. 10.30 Reflections. 10.35 Points North. 11.35 Grampian Late Night Headlines. 11.40 Fireside Theatre followed by Road Report

GRANADA

1.20 pm This Is Your Right. 1.30 Gambit. 5.15 This Is Your Right. 6.00 Granada Reports. 6.30 Kick-off. 10.30 Reports Extra. 11.00 Friday Film: Tony Curtis in "Not With My Wife, You Don't."

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 1.30 Gambit. 2.00 Women Only. 5.15 Focus on Soccer. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdale Farm. 10.35 Report Extra. 11.05 The Friday Film: "One Foot In Hell," starring Alan Ladd.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25pm Penawdau Newyddion Y Dydd. 4.15-4.45 Teyrnas Y Corrach. 6.00-6.15 Y Dydd. 10.35 Letter By Letter. 11.05 Outlook. 11.35-12.30 The Outsiders.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News and Road Report. 1.30 Houseparty. 6.00 Scotland Today. 6.30 Emmerdale Farm. 7.30 Thingummyjig. 10.30 Late Call. 10.35 Rising Damp. 11.05 Appointment With Fear: "Isn't It Shocking."

SOUTHERN

1.20 pm Southern News. 1.30 Gambit. 2.00 Women Only. 5.15 Happy Days. 6.00 Day By Day. 6.00 Scene South East (South East area only). 6.30 Tell Me Another. 10.30 Weekend. 10.35 "Macho Callahan." starring David Janssen. 12.15 am Southern News Extra.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 5.15 Gambit. 6.00 Northern Life and Sportstime. 10.30 The Friday Film: "Saturday Night Out." 12.20 am Epilogue.

ULSTER

1.20 pm Lunchtime. 1.30 Gambit. 4.13 Ulster News Headlines. 5.15 The Beverley Hillbillies. 6.00 Reports. 6.30 Sportscast. 10.30 Feature Film. "Gentlemen Prefer Blondes," starring Marilyn Monroe. 12.00 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Emmerdale Farm. 6.00 Westward Diary. 6.35 Time Out. 10.28 Westward Late News. 10.30 The Late Movie: "Connecting Rooms." 12.28 am Faith for Life.

YORKSHIRE

1.20 pm Calendar News. 5.15 Happy Days. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Calendar Sport. 10.30 An Audience with Jasper Carrott. 11.00 "Warning Shot," starring Joan Collins, Eleanor Parker and Sam Wanamaker.

RADIO 1 — 247m

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.02 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Peter Powell. 4.31 Kid Jensen. 7.30 Sequence Time (S) (Joins Radio 2). 10.02 John Peel (S). 12.00-2.02 am As Radio 2.

RADIO 2 — 1,500m and VHF

5.00 am News Summary. 5.02 Tony Brandon (S) including 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.45 Sports Desk. 2.30 David Hamilton (S) including Racing from Ascot and 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Sequence Time in Radio 2 Ballroom (S). 8.02 Ronnie Aldrich conducts the BBC Radio Orchestra (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Sponsor Your Local. 10.30 Let's Go Latin with Pete Winslow's Brazilian Sound. 11.02 Brian Matthew introduces Round Midnight, including 12.00 News. 2.00-2.02 am News Summary.

RADIO 3 — 464m, Stereo & VHF

†6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Schubert (S). 9.30 Young Artists Recital (S). 10.30 Music of Czechoslovakia, part 1 (S). 11.20 In Short (talk). 11.30 Music of Czechoslovakia, part 2 (S). 12.15 pm Midday Prom, part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 Midday Prom, part 2 (S). 2.05 Bratislava Folk Music Prize 1977 (S). 2.40 Handel's Opus 1 (S). 3.40 Leeds International Piano Competition 1978 (S). 4.45 The Young Idea (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: Leisure and Recreation. 7.30 Flanders Festival concert, part 1: Mozart, Elgar (S). 8.15 The Winter's Task: Robert Wells introduces and reads his own poetry. 8.35 Flanders Festival, part 2: Tchaikovsky (S). 9.35 The Cadenza (S). 10.15 Two Haydn Quartets (S). 11.05 Alistair Cooke's Ray Henderson. 11.40-12.00 Tonight's Schubert Songs (S) including 11.45 News.

Radio 3 VHF only—6.00-7.00 am, and 5.45-7.30 pm Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.00 am News Briefing. 6.10 Farming Today. 6.30 Today: Magazine, including 6.45 Prayer for the Day. 7.00 and 8.00 Today's News. 7.30 and 8.30 News Headlines. 7.45 Thought for the Day. 8.45 Antiquea. Penny. Puce. 9.00 News. 9.05 Local Time. 9.35 Am I Too Loud? 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Analysis: Soviet Power in the 1980s. 11.50 Old Wives' Lore of Gardening. 12.00 News. 12.02 pm You and Yours. 12.27 My Word! (S). 12.55 Weather, programme news. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour from Glasgow including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Serenade to Music. 4.35 Story Time. 5.00 PM Reports. 5.40 Enquire Within. 5.55 Weather, programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Week Ending (S). 10.55 Nightcap. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 London Sports Desk. 6.35 Good Fishing. 7.00 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Track Record. 10.00 Late Night London. 12.00-Close: As Radio 2.

London Broadcasting — 261m and 97.3 VHF

5.00 am Morning Music. 6.00 AM: non-stop news, information, travel, sport. 10.00 Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale's 3 O'Clock Call. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio — 194m and 95.8 VHF

6.00 am Peter Young's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Mike Smith's Late Show (S). 2.00 am Ian Davidson's London Link International (S).

F.T. CROSSWORD PUZZLE No. 3,783

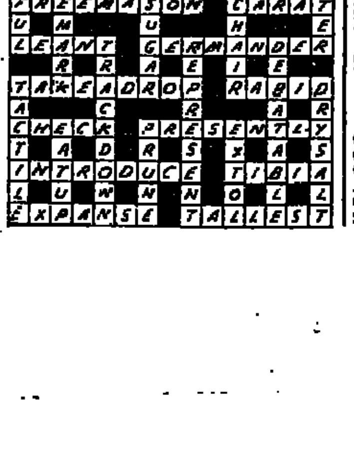
ACROSS

1 Sailor at riot returned from the place of slaughter (8)
5 Strive for higher things, e.g. a steeple? (6)
9 Afford wife a bone with little meat (5-3)
10 Stick within this place (6)
12 Little worker should get things down quickly (9)
13 Home to rent in small bay (5)
14 Land in Paris leisurely (4)
16 Senator capable of creating disloyalty (7)
19 Ecclesiastical land. See? (7)
21 Is returning note to location (4)
24 Game played by the fire? (5)
25 Type of army saving (9)
27 Callous in rude upheaval (6)
28 One of a pack in a lair initially could be red (8)
29 Avaricious newsman in grey (6)
30 American politician giving revised card to me (8)

DOWN

1 Help a fool one way (6)
2 Lot a mother put up with could be explosive (6)
3 Are mixed in race. That's a pleasure (5)
4 Copy one mate taking it in (7)
6 Sent people in it out of emotion (9)
7 I trade one way, being an impractical person (8)
8 Choosing client, e.g., for a change (8)
11 Revise and meditate without friend (4)
15 Lead attack on van (9)
17 Notice the choosing and taking up (8)
18 Birds on river, to be certain (8)
20 Irish verses with neither beginning nor end (4)
21 Worry about a pound compensation (7)
22 The German goes outside pub for a meal (6)
23 Joint on top of tibia or leg ornament (6)
26 Sound prefix in fraud 1 organised (5)

Solution to Puzzle No. 3,782



ENTERTAINMENT GUIDE

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CINEMAS

ART GALLERIES

هكذا من الاصل

im

The Royal Hunt of the Sun

by MAX LOPPERT

n Hamilton's opera, Wednesday, the English National Opera has con... brilliant and intriguing ... Colin Graham's pro... ided and encouraged ... onomy, boldness, and ... David Collis's designs, ... grim-spirited Spanish ... against the fantastic ... of Peru in a manner ... ays exactly adapted to ... ements of the libretto. ... stra, full to the brim ... ts and chinks of per... s skilfully piloted by ... yd-Jones — in the first ... of the choral singing ... little unsure, but the ... effect was admirably

t, in large part that of ... ruary 1977 premiere ... inor changes, is expert. ... different ways. *The ... The Devils, Toussaint, The Royal Hunt* are ... of how spiritedly the ... rises to the challenge ... t 20th-century operatic ... It is expertly led by ... Chard in a portrayal of ... etailed down to the last ... lour cynicism, and sung ... much character and ... s the vocal line will ... Tom McDonnell's ... a looks magnificent — ... some of movement, his ... of hieratic gesture ... formed by a powerful ... character: if the voice, ... d at full force, makes a ... hard and uninviting ... is used with great con... In a large cast, Bryan ... (Valverde), Alan Wood... ang Martin), Emile Bel... e Soto) and John Tom... Villac Umu) give notable ... ances; in the mimed and ... art of the Indian inter... Michael Blaise is a ... ble figure of quicksilver ...

is well that the staging ... ardingly managed, since ... it about all there is to ... the evening. "Opera" ... d, not the just definition of Hamilton's musical setting of the Peter Shaffer play: for, if by the word we still understand some vital and mysterious conflagration of, interaction between, music and drama, *Hamilton's work must more accurately be described as a musicked play.* An extreme view of it could be that there is no music in it at all, only carefully calculated sound effects. Certainly, there seems very *little* in the assiduous, deftly timed and paced setting of the words (for a first opera, this is a remarkable success in terms of verbal audibility) that can be recognised as musical characterisation, musical articulation of situation, or, most important, *musical confrontation and interpenetration* of the two different worlds in conflict in the play.

It is not boring, not a waste of time (and by no means the most unworthy 20th-century opera presented at the Coliseum —*Bomarzo* still defines that low-water mark). As the original Shaffer play was a spectacle in which display and thought-provoking argument were strikingly combined, so this tactful orchestration of it retains the striking qualities of the original. *But one may reasonably wonder* whether it was worth doing at all, if the music remains so unambitious, so unassertive, so content with taking a supporting role, when the art form demands for its long-term success that the music must always dominate.

Leonard Burt

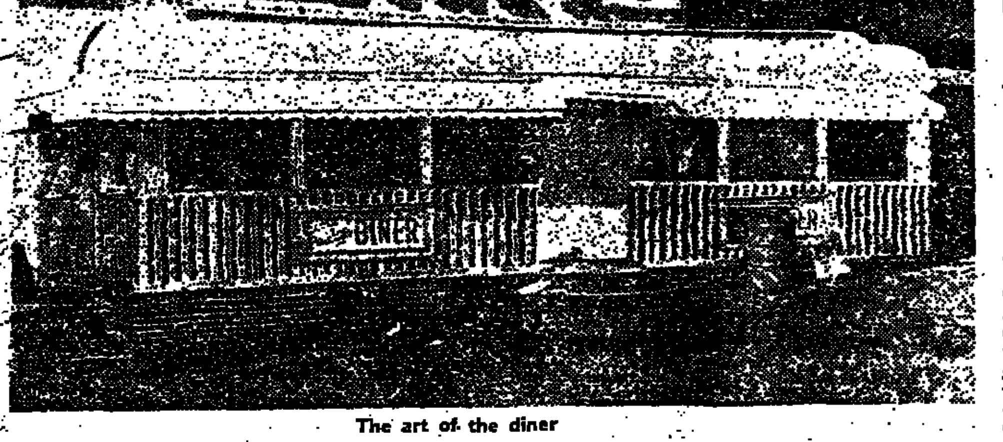
Tom McDonnell and Geoffrey Chard

ican architecture

...he death of the diner

by FRANK LIPSIUS

..., those roadside eating ... ments gleaming silver ... middle of large parking ... em so quintessentially ... n it is amazing that it ... em so long to be called ... is happening now under ... of their impending ex... the product of limited-... highways, competition ... cDonalds *and their ilk*, ... immigration laws, which ... it the people willing to ... he long hours and thank... k such places require. ... isingly enough, diners ... *gnored by the photo-*... painters who converged ... neon signs and old theatre ... es. The American diner, ... it to the immortalising ... of John Baeder, the son ... erant immigrants who ... im in and around diners. ... affair with them seems ... turned him into an artist, ... from the encomia filling ... ges of his recent book, ... hotos of his paintings are ... shed with his reflections ... ers in general and the ... ones he chose to paint. ... r's healthy, unpretentious



The art of the diner

...f diners shines through ... awkward prose. But there ... awkwardness in his rela... up to his subject matter: ... *the photo-realists he is* ... indebted to the artiness ... past, especially the inter-... period when American ... blossomed with neon ... and other gaudy paeons to ... nity. *Photo-realists like to* ... artists and let the objects ... opy be just artisans' trade. ... der begins his narrative ... aitforwardly: "A lot of ... ask me why I paint diners. ... question I've never had to ask myself. I want to preserve diners. I love them. And I express this passion in the best way I know, by painting them." He also draws imaginary ones, like "Ja 'Eat' Jet Diner" which looks like an airplane and, Baeder writes, was inspired by "the Zep diner, a zeppelin-shaped diner in Los Angeles—*where else?*"

Having acknowledged his debt to his inspiration, Baeder would presumably excuse anyone whose interest wandered from his paintings to the diners themselves. They are a perfect expression of the architect Venturi's idea of the "decorated box," which draws attention to itself and introduces a theme *carried through in the whole* enterprise. In their day, when as many as 5,000 sat on roadsides along the east coast from Maine to Florida, they epitomised the efficiency and cleanliness that are now supposed to be associated with their successor fast-food operations. Outside, diners had pressed aluminium sidings, large windows and a symmetric design emphasised by an entrance right in the middle of the façade. The steps at the entrance are a reminder of *diners' mobile origins*, when wheels sat under their bodies. Those wheels brought the diners to their sites, having been manufactured, most likely, by a company in northern New Jersey *and taken to their final destination* for the foundations, plumbing and electricity to be installed.

The diner manufacturing business still thrives in half-a-dozen companies in New Jersey. The Kullman company, the oldest surviving, was founded in 1927, when diners were still mobile hot-dog stands. The present head *of the company* is the founder's son, and *his* son is in the business, with the president's wife, who designs interiors for new diners.

In the old days, as a magazine noted in 1953, "many a restaurant owner has put up a false diner front in the hope of getting in on the act." Now, diners are indistinguishable from restaurants built on site. They are made of brick or stone, have large half-moon windows and mansard roofs that give them the "Spanish" (also known as "Mediterranean") look. They *are also now comprised of six* or seven units and are as expensive as restaurants built on site.

But they are still transported to the site and assembled there. The competitive edge that keeps companies *like* Kullman in business is the time it takes to get a diner from the drawing board to operation. They make about eight a year, each one taking three months, when an on-site restaurant would require a year to build. The original diners, built just after the war, had only a long counter with stools facing the frying surface the food was cooked on (who would be brave enough to do that anymore?). When they were widened, booths were installed and "Ladies Welcome" signs adorned the entrance.

If anything unites the old and new diners it is the menu—large, cheap, and reputable enough to want the new restaurants still to be called diners. Some have embellishments like a salad bar or salt beef sandwiches, but their standard fare remains a full-*course meal with two veg or* hamburger and fries. Eggs can be had any time of day or night, polished off with custard pie and coffee, still made in large urns prominently displayed against the back wall. The diners are still family businesses, often with mother at the till, father in the kitchen, son behind the counter and daughter as waitress. *According to one of the* diner manufacturers, a diner owner will keep his place for ten years, double his money and sell it to a more recent immigrant, while he moves on to another establishment. Now most of the diner owners are Greek and represent a dying breed as America still proves it has the capacity to give the immigrant upward mobility.

In its need to adapt to the times, companies like Kullman move on to other products using the same skills. Bank branches are now being made as *free-standing buildings with* drive-up windows and dimensions similar to the diners'. Kullman makes lorries with *offices or training schools inside*; South American governments order them by the dozens to train mechanics region by region.

Another smaller company, the *Musi Dining Car Manufacturing* Company, spends the slack winter season remodelling old diners to make them more modern. It is a business shorn of sentimentality: people who remember the old diners in their youth are not the present main stay of the business. They might be able to turn the old diners into art, but they don't go there for hamburgers. Diners have to keep up with their clientele, who tend to be the poor, for whom it is a waitress-service night out or a respite from a long car journey. Their *image of modernity is no longer* the long silver bullets; they want a family style restaurant with plush interiors and table cloths instead of the pink-veined formica tops diners once prided themselves on. As an index of American style, the diner is as passé as fins on a Cadillac: thank goodness it was considered to be art before the last of them ended up on a junk-yard slag heap.

g's Head

...iary of a Nobody

...ink you have to be familiar ... *Charles and Weedon* ... mith's original to get the ... flavour of John English's ... rmance at King's Head ... times. Mr. English is a ... elegant figure for Charles ... r, the City clerk, and the ... voice conflicts with the ... way background in which ... nings and Gowing and even ... *Lupin remain basically* ... ley. Still, the jokes, in all ... Victorian snobbishness, are ... quite funny, and those who ... enjoyed the book should ... the performance.

... extracts have been drama... by Ian Taylor and directed ... on Bromwich. Mr. English ... ers them as from his attic, ... ering around a pile of mis... ea suggesting *Brief Lives* brought up to date. He picks up a book here, a toy soldier there; hears the railway at the bottom of the garden, the rude children from down the street, the band of the Salvation Army; and, most useful of all, finds the diary itself at the bottom of a trunk. Useful because Mr. English is still not quite word-perfect, and from the diary he can read, if need be.

Connoisseurs will hear all about the Lord Mayor's ball, but they will not learn that Cummings is always going and Gowing is always coming, or hear Lupin play tunes on his cheek with the flat of his knife. You can't have everything; the selection is representative enough to establish a genuine nostalgia for such as have the equipment.

B. A. YOUNG

Cinema

The Beast in chains

by NIGEL ANDREWS

The Beast (X GLC)	Prince Charles
Girl Friends (AA)	Gate Two and ABC Fulham Road
The Fury (X)	*Leicester Square Theatre*
The Big Sleep (AA)	Plaza 4, ABCs Fulham Road and Bayswater
The Legacy (X)	Warner West End

Walarian Borowczyck's *The Beast* is the movie that had London Film Festival audiences gasping in the aisles three years ago, and brought down the puritanical wrath of the then New Statesman editor who fulminated against its graphic depictions of the sexual act. As a point of information, no human sexual organs are (or were) seen *in flagrante* in the entire film. But more about that later. The film has now been trimmed and sanitised for London release — the cuts having been made by the distributors as a precautionary measure before submitting the film to the GLC viewing committee — and it will no doubt offend fewer easily-offended Londoners while *disappointing* and puzzling a great many more. Outside London, meanwhile, it will not be seen at all. Or only at the say-so of local authorities, since our beloved censor has washed *his hands of the whole* film.

The Polish director's erotic reworking of the Beauty and the Beast story first caused a furore, in short-film form, as one of the episodes in *Immoral Tales*. Then Borowczyck took it out and incorporated it as a "flashback" sequence in this much longer, modern story about an arranged marriage between an American heiress and the brutish son of a French aristocrat. The son, it is made clear during the course of the film, is the offspring of a 30-years-before liaison between his *mother and the* "Beast" — a huge, black, hairy monster that once haunted the gracious estate. Their brief, passionate encounter is re-created for us in the fevered imaginings of the American heroine, and three years ago at the LFF it was powerful stuff: much dizzy, rhythmic camera-work, many gleeful close-ups of the Beast's larger-than-life sexual attributes (courtesy of the make-up department), and occasional — well, fairly frequent — shots of ejaculation.

The sequence was funny and sexy at the same time. Now it has been pruned to a humourless semi-respectability. Expunged are the ejaculations, so that those who do not know how the male organ functions will remain in healthy ignorance, and gone with them is much of the rhythm and momentum of the scene.

The bowdlerisations are to be blamed less on the distributors than on the repressive climate which forced them to make cuts in order to show the film. The irritating thing about it all is that, because these senseless mutilations must be drawn attention to, the critic is obliged to *give exaggerated emphasis to a* sequence that in no way constitutes the raison d'etre of the film. The brilliance of *The Beast* as a comic fable of sexual attitudes, and of the eternal *battle human desire wages with* social restraints, lies in the way *all* its parts work and contribute to the whole. The modern story is choreographed like a cross between Feydeau and Bunuel: scenes of poker-faced religious satire (the wedding is held up for more than a day for the arrival of a Roman Catholic bishop to bless the bride and groom) alternating with scenes of ripe comic delirium (Marcel Dalio *as an impish wheelchair-*bound uncle determined to sabotage the marriage plans).

And as ever, Borowczyck's camera glides across the surface of things, picking out tiny objects or gestures like motes dancing in a sunbeam: the details that give body and movement to the unbending light of the characters' ruling passions. *Add to the film's other virtues* some gorgeous colour photography—is there any living director with more of a painter's eye than Borowczyck?—and an octet of wittily straight-faced performances, and *The Beast* qualifies as one of the most compulsive and sophisticated films to be seen in London. I wish I could have said in Great Britain.

★

A warm welcome to *Girl Friends*, which arrives at the Gate Two cinema hotfoot from Cannes. Or hotter-footed at least than its feminist companion piece at Gate One, Varda's *One Sings The Other Doesn't*, which had a year's start having been premiered at Cannes in 1977. *Girl Friends* arrives propelled by, rather than trailing, clouds *of glory and with a publicity* boost virtually unprecedented for a film of its modest budget.

Melanie Mayron in 'Girl Friends'

It started life as a 30-minute short costing $10,000.) Shot by Claudia Weill with grants from sundry cinephile donors, including the American Film Institute, it had enthusiastic reviews at Cannes and opened in the States to equal acclaim. In fact, so many people like the film that one thinks there must be something wrong with it. There isn't (or not very much), and if you want to see the Women's Liberation movement putting on its sunniest face, this is where you should go.

The heroine is played by Melanie Mayron and is like *Woody Allen with a different sex* and hairstyle. Mayron's face, radiating guileful innocence, peers out from under glasses and an explosion of brown hair. Set in New York, the film chronicles *her sad-funny adventures as she* tries to cope with the everyday crises *of* disrupted friendship (her best friend and flat-sharer leaves to get married), career disappointments (she is an aspiring photographer) and an on-off affair with a young teacher. The movie *has a throwaway humour* compounded equally of Jewish self-depreciation and the spiralling confusions of everyday living.

The film bends over backwards to be charming and often loses its balance as a result. But truth keeps helping it to its feet: not least in the prickly, vivid discomfort of the heroine's relationship with her married girl-friend (with its unspoken accusation of desertion) and in the heroine's compulsion to Do Her Own Thing even when it means walking out on a lover in the middle of the night without explanation, or gatecrashing a smug gallery-owner's office to show off her wares. ("I really appreciate it," she says at the doorway. "I know," he sweetly smiles.) The feminist themes come through far more effectively for the film's insistence on the fallibility of its characters — the heroine is no paragon *of female self-sufficiency* —and for the impromptu, muddle-headed humour of Vicki Polon's screenplay.

There is more human truth in 120 seconds of *Girl Friends* than in the 120 minutes of *The Fury*. Written by John Farris and directed by Brian De Palma, this is a procession of horror-movie tricks held together by a frantic-*ally unconvincing story* about an American secret agent (Kirk Douglas) whose son is kidnapped by the organisation he (Douglas) works for because he (the son) has psychic powers. Just before *the kidnapping*, somewhere in the Middle East, the organisation tries to bump off Douglas so that he won't interfere, but Douglas resurfaces (literally, *from a supposed death at sea*), returns to America, meets a young girl (Amy Irving) who also has psychic powers and uses her as an extra-sensory bloodhound to sniff out his lost son.

Along the way there are sundry supernatural set pieces even more far-fetched and tuppence-coloured than in De Palma's last film *Carrie*: choicest among them being the fate of a lady doctor who dies simultaneously levitating, pirouetting and haemorrhaging. John Cassavetes, who prowls darkly through the film as the chief nasty and Douglas's son's kidnapper, meets a kinder fate, merely exploding. A cult reputation has grown up around De Palma of late, beginning with his more deserving *Phantom of the Paradise*, and there is a Hitchcockian ingenuity to the way he stages individual scenes and can chill the blood with a clever cut or camera angle. But unlike Hitchcock he shows no talent for building effective parts into an effective whole, and this film pays the price for beginning like an express train and trying to accelerate by going off the rails well before its journey's end.

★

The thrills and spills of *Michael Winner's The Big Sleep* are, by comparison, strictly suburban. Winner has hit upon the *uniquely dire notion of transposing* Raymond Chandler's thriller, immortalised on film 30 years ago by Bogart, Bacall and Howard Hawks, from California to Greater London. Robert Mitchum plays Marlowe, who according to this script stayed on in England after World War Two and now prowls the mean streets of Wimbledon and Putney, and the Lauren Bacall role goes to Sarah Miles, complete with Bride-of-Frankenstein hair and a wobbly mid-Atlantic accent.

Candy Clark is her nymphomaniac younger sister. James Stewart their dying General of a father, and the supporting cast has been chosen, it seems, by sticking a pin in a 1950s Who's Who of British Cinema: Richard Todd, John Justin, Harry Andrews, Joan Collins, James Donald, John Mills *inter alia*. The film, written as well as directed by Winner, stumbles with a sort of inspirational ineptness through its story of blackmail, murder and underworld intrigue, and Winner's do-it-yourself attempts at laconic Chandlerian dialogue are an embarrassment. Mitchum himself, who has obviously been told *that he could play Marlowe with* his eyes shut, mostly does so here, and all in all the film more than lives up to its famous but never-so-pertinent title.

★

At least *The Legacy* is more fun. Katharine Ross and Sam Elliott are the American innocents abroad in Stately-Home England. Invited to stay at the baronial pile of one Jason Mountolive (John Standing), they discover that they are not alone there, that Mr. Mountolive has invited four or five extremely rich guests, that these guests belong to some strange cabal which Miss Ross is asked to join, and that there is a tendency for these guests to be murdered. The film has no shortage of picturesque violence. If emergency tracheotomies are to your taste there is a fine one here, performed by Margaret Tyzack on Roger Daltrey. If you prefer death by burning, you may enjoy *the prolonged conflagration of* Charles Gray. Between murders, it is all Old-Dark-House stuff performed with fair conviction by a good cast and scripted by that Hammer stalwart of yesteryear, Jimmy Sangster.

Book Reviews appear tomorrow

Festival Hall

Tortelier

by MAX LOPPERT

Schumann's Cello Concerto expresses a *unique kind of tender* yet introspective melancholy. In a performance of the wrong character, one that tries *to urge the solo line into a too fiercely* driven brilliance of tone and forwardness of rhythm, its special cast of thought is likely to be obscured, its lyrical frailty to seem like a weakness. When *Tortelier plays it, with all the* affection and soulful warmth he can muster, it becomes one of the composer's most lovable works.

Last night the cellist, playing *with the Philharmonia under* Riccardo Muti, was in wonderful form. In the opening measures, not all the notes were perfectly in tune; and perhaps under pressure the core of cello tone *is less invincibly strong* and steady than it used to be. The understanding of the music, on the other hand, has surely never been deeper—the first movement's succession of pliant phrases, each one shaped by a "singing" imagination, and the poetic intensity of the *langsam* middle movement, taught one a basic and essential lesson about the art of Schumann interpretation. Though the rhythmic freedom of Tortelier's playing cannot be an easy thing for an orchestra to match or even to follow, Mr. Muti drew from his orchestra accompaniments that were admirably diligent and fresh-toned.

This noble experience, a performance in a thousand, fell between the chortling high spirits of Rossini's *Silken Ladder* Overture and the ineluctable violence *of The Rite of Spring*—a strange, slightly disconcerting programme combination. In the Rossini, the articulation was crisp and punctilious, the spirit dutiful and rather charmless — *there is more "bend" to* Rossini's phrases than Mr. Muti is always willing to allow. In the Stravinsky ballet, the position was rather the reverse: no want of lusty enthusiasm, but *sometimes a rather imperfect* traversal of the notes, and a sonority (especially a brass sonority) forced beyond the necessary degree of rawness. One felt that the reading was nascent rather than mature — long-term cogency tended to be sacrificed to immediate excitements. Of these there were, however, a bounty — and not the least of them was the sight of the timpanist's stick flying through the air.

Contemporary Music Network opens on Sunday

The 1978-79 Contemporary *Music Network season opens on* Sunday at the Nottingham Playhouse with a performance by Roger Woodward (piano) and the Philip Jones Brass Ensemble which will include the premiere of Rolf Gehlhaar's *Strangeness, Charm and Colour* and the first British performance of Morton Feldman's *Piano*. The tour continues next week in London (Elizabeth Hall), Manchester, Horsham, Milton Keynes and Dartington.

As previously announced the Arts Council's Contemporary Music Network will be presenting 128 performances by *12 different groups in 44 towns* and cities throughout England and Wales in the 1978/79 season. This will be the largest number of concerts presented in the seven years of the Network. Four commissioned works will be receiving their first performances

The Warsaw Music Workshop, on its first visit to Britain, will be playing a programme of East European music, using instruments made specially for them by Polish folk artists. Their tour will start at the Round House on October 15.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
Telephone: 01-248 8000
Friday September 29 1978

Pragmatism vs. dogma

IT HAS been plain for at least a decade that the organisation of the electricity supply industry in England and Wales leaves a lot to be desired. Yet no changes have been made principally because a major restructuring of the older nationalised industries can be achieved only by Act of Parliament and, as the Commons select committee on the nationalised industries remarked in its report yesterday, successive governments have failed to give sufficient priority to such legislation.

Blocked

It is true that one Bill was lost with the 1970 general election and that another was blocked earlier this year when the Liberals disagreed with what the Government was proposing. This gave the select committee a chance to conduct a pre-legislation hearing broadly on the lines the Commons committee on procedure has since suggested should be adopted more generally. Following tradition, the select committee avoided judging matters of party controversy and limited itself to inviting evidence with a view to making for a more informed debate should the Bill come before the House. It is however clear to anyone reading the evidence that the principal cause of delay has been the Energy Secretary's desire to stamp his own individual philosophy on the electricity industry.

The main issue to be decided has been how to combine the need for strong leadership in strategic matters with the greatest practicable devolution of authority in operational matters. The Plowden committee, which inquired into the industry in 1974-76, proposed a unified structure in which the present generating and area boards would disappear as separate statutory bodies. The committee recognised the risk of over-centralisation but felt that it was pointless to set up a central authority and then frustrate it for fear its power might be misused. As safeguards, however, it proposed that the new corporation should have a statutory duty to devolve maximum authority in line management and that organisational changes should be subject to Ministerial approval.

These safeguards were not enough for Mr. Wedgwood Benn. His Bill would give himself as Minister the power to direct the corporation as to the executive and subsidiary bodies it should establish. He, not the corporation, would appoint the members of these boards, a proposal which has been condemned by both the industry and the unions as making for divided loyalties and impeding career development. The corporation's statutory duties would, at best, be too vague and, at worst, too uncommercial. Its enhanced manufacturing powers would go further than either the industry or the unions wanted. And the Secretary of State's powers, taken together, were described by one union leader as amounting "to power for vastly greater ministerial and civil service direction in the industry."

Faced with this evidence, the select committee made just two suggestions both related to the question of parliamentary accountability. It thought that any specific direction issued by Ministers to a nationalised board should be subject to a select committee hearing before being implemented. It also wanted the appointment of main board chairmen to be subject to a committee hearing and Parliamentary approval. This last proposal might make it even harder to recruit capable men to top public sector jobs But it could deter bad appointments and it might help the chairmen to resist the wrong sort of ministerial meddling in their industry's affairs.

A chance

The urgent need however is to end the prolonged uncertainty in the electricity supply industry. The deferral of an election gives the Government a chance to do this if it were to introduce a Bill which commanded a wide measure of support. This is not the only area where the need for a management reorganisation is universally accepted but where progress is being held up. The reorganisation of the nuclear reactor design and construction industry has been delayed by Mr. Benn's insistence on an increased state shareholding. Both are examples of the considerable economic damage that political involvement in industry can do.

Lending to Comecon

THE BROOKINGS Institution's latest report on Comecon financing repeats the now familiar warning that borrowing from the West is approaching its limits, that some Comecon borrowers may have to seek re-scheduling of part of their debt and that East-West trade is likely to decline as a consequence of lower future borrowing. The OECD came to a similar conclusion in a report by its planning and evaluation unit last June.

In spite of such warnings, however, there is little sign that the international banks are unduly worried and fund-raising continues. The Soviet Union recently raised $500m through its International Investment Bank on very competitive terms, Hungary and the German Democratic Republic also recently raised $300m each. The American banks in particular balked at the very narrow spread offered by Hungary, but that demonstrated dislike for narrow margins per se rather than nervousness about lending to a Comecon country.

One of the grey areas in lending to these countries is the extent to which Comecon can be considered usefully as an entity in itself, and particularly to what extent the Soviet Union could be relied on as effective "lender of last resort" to bale out any member country in trouble.

Major effort

The Soviet Union is believed to have provided Poland with a hard currency loan in 1976 in the aftermath of the Polish government's unsuccessful attempt to raise food prices. But it is clearly unwilling to provide such assistance except in extremis, particularly when the standard of living in much of Eastern Europe is considerably higher than in the Soviet Union itself. It is also unwilling to increase the present level of oil exports to Eastern Europe in the next Five-Year-Plan period.

Poland is currently making a major effort to reduce its trade deficit with the West and is also making stealthy progress with its long term aim of creating a more rational price structure. However, this year's Polish harvest again looks unsatisfactory, bottlenecks have appeared in energy supply and other key areas and, according to the Bank for International Settlements, nearly 40 per cent of its $8.8bn foreign debt is due for repayment this year. Poland is clearly in the front line for any re-scheduling which may be necessary.

Taken as a whole, however, the overall Comecon debt of around $50bn is not much higher than the debt of Brazil alone and is backed up by massive energy, raw material and other resources in the context of a planned economy capable of making debt repayment a top priority if needed.

The real problem is that the ratio of Comecon debt to its hard currency export receipts is very high. Comecon countries have borrowed in order to finance high technology imports and so to raise the overall efficiency of their economies. The theory was that this would create the sort of export-orientated industries which would be able to compete in world markets and generate the hard currency income with which to repay the debt.

To the extent that such borrowing has been linked to compensation agreements this self-financing aspect has materialised. But the slowdown in the Western economies, which has reduced overall export possibilities, has also highlighted the flaw in this theory.

Imported technology, even the very latest, tends to be somewhat dated when installed. It therefore tends to produce goods which are already in adequate if not excess supply in the West. This is certainly the case with many of the Comecon's chemical plants; they are now starting to turn out products which would be unsaleable on Western markets were it not for buy-back arrangements or the sort of price cutting which inevitably provokes dumping charges.

Until the Comecon countries demonstrate that they are capable of developing and producing their own products to compete on Western markets it is clear that the sort of doubts expressed by Brookings will continue, especially as Comecon's ability to export energy and raw materials seems bound to diminish over the next decade.

Peugeot's Chrysler options

BY TERRY DODSWORTH, Motor Industry Correspondent

M. JEAN PARAYRE, the bureaucrat who switched horses to become boss of Peugeot-Citroen and masterminded the bid for Chrysler Europe, has had a marvellous Press in the last six weeks. Apart from a few lone voices on the Left, he has been hailed in France as the man who brought the French motor industry back under the control of Frenchmen. In the rest of the world he is seen as the man who, in one bold sweep, has somersaulted over Volkswagen, Renault and Daimler-Benz to create the biggest European motor group and the largest company of its kind outside the U.S. But as the plaudits die down, the question is being asked: can he run it?

In the immediate aftermath of the Chrysler takeover this issue was brushed aside. Peugeot had successfully merged with Citroen, it was said, so why should it not do the same with Chrysler Europe? The logic of the deal lay in Peugeot's management talents which had been well proved in the previous amalgamation.

The strength of this argument is that the Peugeot management has indeed delivered the goods over the last few years, whereas Chrysler's patently had not. The American company has never got to grips, managerially, with its European subsidiaries: it has not bred a strong indigenous management team, and it has not managed to blend the different companies and managerial skills which it inherited in France, the UK and Spain. Peugeot, by contrast, has had a stable management team, which has delivered steady profits even during the 1974-75 oil crisis—and which has turned round Citroen so quickly that it was able to pay back the $200m Government loan within two years of the takeover.

Nevertheless, the analogy with the Citroen takeover could be a dangerous one. Chrysler will almost certainly prove to be a much more difficult business to take over than Citroen, both because the external circumstances are different, and because of the inherent state of the business. Externally, for example, the French economy improved and the European motor market expanded rapidly soon after the takeover, pulling Citroen along in their wake: within the space of three years the company increased its sales by 200,000 units. In addition, in Citroen itself Peugeot bought an enterprise with a good marque image and a strong reputation in engineering. And Peugeot only signed the deal after the biggest loss maker in Citroen — Berliet trucks — had been hived off and integrated into Renault's commercial vehicle interests.

In contrast to the Citroen merger, however, Peugeot's acquisition of Chrysler is taking place in less favourable market conditions, with all the signs at the moment pointing towards a reduction in registrations in Western Europe. Secondly, Chrysler has a weaker image than Citroen, and although its Simca interests in France have performed creditably in recent years, it has none of the individualistic flair and ingenuity which have established a special niche for Citroen in the European industry.

So for Peugeot the problem of taking on Chrysler Europe comes down to one of management. It has to re-establish the group in the public eye, get more out of its facilities than the Americans ever achieved, and make the organisation work more effectively at a time when market conditions are not particularly propitious.

The difficulty in judging whether it can do this is that its public statements on its proposed methods do not make a great deal of sense. Peugeot's declared intention, underlined in the agreement announced with the British Government yesterday, is to manage Chrysler Europe very much on an arm's length basis, in much the same way as it has done at Citroen. It will keep the management and the range separate from its own; it will maintain the present factories; it will continue with the individual distribution networks. Only at the most senior level, in the central PSA Peugeot-Citroen holding organisation, will the direction and strategy of the three companies come together, including finance and the development of an integrated range of components.

Yet, as the critics point out, the whole logic of the deal points towards a shake up of the Chrysler organisation being essential. It would be unrealistic to suppose that the methods which have prevailed and failed for the last ten years will suddenly become successful simply because of a change of ownership.


M. Parayre: a good Press

Because of this reasoning, most competitors in the industry believe that at the very least Peugeot will have to inject a substantial element of its own management into Chrysler. Many also expect that it will have to abandon its ideas of keeping Chrysler as a separate marque competing with its own products, simply because Chrysler is too weak to be effectively restored without very large sums being spent on it.

So, according to these critiques, Peugeot has the choice of two paths now opening up before it. On the one hand, it can go ahead with what it says it wants to do, maintaining the present Chrysler base and trying to improve it. On the other, it can begin to carve up Chrysler, taking the bits it wants—such as dealer organisations, the truck interests, and the Simca capacity in France—and getting rid of the rest.

Peugeot is obviously going to try for a time at least with the first approach. This was effectively underlined yesterday in its agreement with the British Government, in which it took on the old Chrysler Corporation obligations for maintaining the UK facilities. But the critics argue that if it goes ahead with this, it will have to do much more on the managerial front than it did at Citroen, where only 16 managers moved across.

Whether Peugeot has the managerial depth to do this effectively is anyone's guess. Management is one of the scarcest resources in the industry and Peugeot's own capabilities must be as stretched as anyone else's given its expansion of the last few years. At the same time it has to face all the problems of becoming a truly multinational manufacturer for the first time, with sizeable facilities in both Spain and the UK, while creating a properly integrated Chrysler organisation out of three companies which have not blended together very well at all so far.

What the deal between Peugeot and the UK Government yesterday also made clear, however, is that Peugeot if necessary, take the se[...] option. The French com[...] has written into the new [...]laration of Intent, in addi[...] to the original Chrysler cla[...] the caveat that it will con[...] to strengthen Chrysler UK[...] "to the extent consistent [...] prevailing economic circum[...]ces." In other words, it [...] retreat from the UK if it [...] to.

If it has to exercise [...] option, it might mean the [...]plete integration of Chrys[...] facilities with its own. Pe[...] has said that it needs extra[...] duction capacity for its [...] cars, and it could use hi[...] Chrysler Europe for this. [...] might also want to develo[...] commercial vehicle inte[...] under its own banner, alth[...] this will need consider[...] investment and developm[...] effort to be fully compet[...] with other leading Euro[...] organisations.

In addition it could[...] would—keep the Chrysler di[...]bution chain. In the UK [...] particular, but also in Sp[...] these sizeable networks re[...]sent a great deal of investm[...] which it would be very exp[...]sive to build up from scrat[...] In the UK they could [...] Peugeot and Citroen from [...] insignificant position to [...] market share of up to 20 [...] cent. And it will not ha[...] escaped the Governmen[...] notice that most of these deal[...]ships are private organisati[...] over which it has no control [...] all, however many Declaratio[...] of Intent it signs with Peuge[...]

A tougher approach to unions

BY ALAN PIKE and DAVID WHITE

"THE DIRECTORS summon union representatives to the boardroom, sit down, inform the representatives of their intentions, get up and walk out."

In these terms a French trade union official—admittedly a left-winger—described the way in which he believes Peugeot-Citroen conducts negotiations with its employees.

The very different labour relations structure in Peugeot-Citroen's French factories to the one which it will be inheriting with its takeover of Chrysler UK has been one of the most intriguing, and potentially worrying, aspects of the deal for British union officials.

In Britain Chrysler's manual workers are without exception members of unions affiliated to the Confederation of Shipbuilding and Engineering Unions and a majority of the white-collar staff are also in TUC unions.

Trade union membership and the role of shop stewards are natural and accepted aspects of industrial life. Negotiations are conducted plant by plant but there is a national shop stewards' committee and in recent years this has worked successfully to harmonise wages and conditions throughout the country.

It is not unusual for union organisation in the British engineering industry to be stronger than in French companies: but the contrast between Chrysler UK and Peugeot-Citroen is more than usually extreme. While most British union leaders have accepted throughout the recent negotiations that there was no real alternative to the Peugeot-Citroen offer, they have been under no illusions about the industrial relations outlook of the new owners.

British union assessments of the company's attitude towards collective bargaining have ranged from a polite "anti-union" to a more robust "semi-fascist" with the strongest criticism applied to the old Citroen end of the partnership. It took the intervention of the British Government to persuade Peugeot-Citroen to meet the British unions before approval for the deal was announced. When he emerged from the meeting Mr. Gavin Laird, a leading member of the Amalgamated Union of Engineering Workers executive and himself no weakling at the negotiating table, described the French team as "a tough bunch of cookies."

Peugeot-Citroen will so far have had little opportunity to assess exactly what it has taken on, in industrial relations terms, with its purchase of Chrysler UK. Attitudes in a volatile factory like Linwood are far removed from the atmosphere of its main plant in Sochaux, in Eastern France. Here Peugeot-Citroen has a record of industrial calm which stands in sharp contrast to the state owned Renault, where the workforce is highly politicised and tensions come fairly regularly to the surface.

Provincial concern

The relative peace of the Peugeot-Citroen French factories can be attributed to three main factors. The first is that Peugeot, the dominant partner since the merger with Citroen in 1976, is basically a provincial concern. Sochaux is implanted in a conservative area where no other employer offers comparable pay, conditions or job security. Sochaux, employing 38,000, is Peugeot's captive town.

A second factor, applying especially to the Citroen part of the group — based, like Renault in Paris — is that since the general student and labour unrest in France in 1968 a strong right-wing opposition has built up to the Communist-led General Labour Confederation (CGT) and the militant, socialist-leaning Democratic French Labour Confederation (CFDT).

The third factor in explaining Peugeot-Citroen's peaceful labour record is what the company likes to think of as esprit de corps. The paternalistic tradition associated with the names of both Peugeot and Citroen translates into an extensive range of social facilities, including provision for housing and education. One of the more unusual benefits is a plan to reduce absenteeism under which workers score points for their efforts, assiduity, regularity and productivity. They can cash these points as either extra holiday, early retirement or part-time working on full pay during their pre-retirement years.

However, the French unions complain that, leaving aside these imaginative fringe benefits, Peugeot-Citroen workers are up to 20 per cent worse off in pay terms than their counterparts at Renault.

A report prepared by the International Metalworkers Federation (IMF) says that affiliated unions have come up against great difficulties in trying to organise at both Peugeot-Citroen and Simca-Chrysler. This report concludes that Peugeot is the least anti-union of the three managements although the relationship is by no means a positive one. "The most reactionary management is no doubt that of Citroen where fascist methods are used against the two democratic unions, while a company union has been developed."

The first concern of the British unions has been to ensure that Peugeot-Citroen does not import industrial relations notions learned from a background of company unionism to the Chrysler UK factories. They are satisfied for the present that the new planning agreement will require the French company to operate within the established industrial relations structure.

However, an undoubted consequence of the takeover will be an attempt by the unions in the new company to co-ordinate their activities across national boundaries to a much greater extent than in the past. Union leaders have long been aware of the problems of exerting influence in multi-nationals.

At last month's IMF conference in Geneva leaders of the Transport and General Workers Union, the AUEW, and other leading British car industry unions joined European colleagues in declaring that "facing the anti-union practices of Peugeot-Citroen and French Chrysler managements we demand that these policies cease and that democratic unions be recognised as the authentic workers' representatives."

There is sometimes more rhetoric than reality in international trade union declarations. British union leaders are well aware of the comparative weakness of some of their continental counterparts. But if the unions, with the unhappy experience of Chrysler behind them, are seriously determined to produce an international trade union response to a multinational company, Europe's largest motor manufacturer would be a convenient place to start.

MEN AND MATTERS

IMF home from home for Healey

In Washington this week Denis Healey may have been far from the Ford fray, but he has received a letter about a pay problem of a more esoteric kind. The frustrated staff of the International Monetary Fund have decided to take their case for higher salaries to the individual governors of the IMF, of whom Healey is one.

Their appeal points out that the approximately 1,300 professional IMF staff members have had no real pay increase for over five years and complains that many foreign nationals have seen their tax-free salaries eroded by the decline of the dollar.

The Americans have long thought that the Fund staff protest too much. It was the U.S. blocking of a 7 per cent salary increase earlier this year which prompted them to threaten a strike during this week's annual meeting. They did not come out, partly because they got an interim 3½ per cent increase in the spring, and partly because the staff did not want to embarrass Jacques de Larosiere: the Fund's new managing director is vigorously backing a second stage 3½ per cent increase.

The crunch is due on October 23, when the IMF board should have received an internal report on salaries. The word is that the Americans will then drop their objection to the additional 3½ per cent—though they are still determined to bring the pay of Americans on the staff down to those of the U.S. civil service.

A middle level economist probably earns over £13,000 a year, but some countries such as France and Japan are known illegally to supplement this. Most staff members, to judge by their life-styles in Washington, appear comfortably off and must seem excessively well paid to those in the poorer countries whose belts they tighten. There is, undeniably, a recruiting problem at the moment. But while the staff letter to Healey does not say so, many Europeans and Americans may be shunning a career at the IMF for pecuniary reasons, but there is no lack of applicants from India and—guess where—the UK.

Everybody out

Meanwhile back at home Ford managers must be disconsolate to hear that yet another plant has come out solidly against their pay offer. I hear from their £118m Bridgend plant in South Wales that there too there is a 100 per cent strike. But it is a novel strike in that it consists of a lonely picket manned by a single security man, Garry Downs. And is taking place at a plant which is not due to come into operation for more than 12 months.

Open house

BP is entering some unfamiliar territory with its decision to affiliate to the British section of Amnesty International. Amnesty's UK director, David Simpson, tells me that, though it is backed by 38 trades unions and a large number of union branches, the only other companies he knows to be involved are "tiny family ones."

"Fine" and "great" are the sort of words with which Simpson greets BP's decision. He is pleased to see anything which rectifies the poor business representation in Amnesty.

The oil company will be pleased to hear that it will not have to do such matters as adopting any of the prisoners of conscience selected by Amnesty. It may, however, have to "grin and bear" and go along with Amnesty's policy in certain fields.

BP's decision followed an Amnesty appeal for it to speak out on behalf of those imprisoned in South Africa. Did the findings of the Bingham report not mean Amnesty might raise some questions about welcoming the oil company? "Oh, we are an open organisation and only exclude those who use violence." Simpson also adds that having trades union members has been very useful in Amnesty's campaign for Soviet unionists. He hopes that business members will be similarly helpful.

Pendulum stops

The end of an era is an expression mysteriously omitted from my Dictionary of Cliches. But in the case of Hatchett's in London's Piccadilly, being closed next week for redevelopment, the cliche is almost true.

"It fits in this case," says John Marks, 50-year-old managing director of this last vestige of the Swinging Sixties. "It's the end of several eras in fact." He tells me the 13th century building, mentioned by Dr. Johnson and Dickens, was once used by Beau Brummel to grease his boots, with a favoured mixture of mutton fat and champagne.

Hatchetts also saw some of the last tea dances before becoming, under Marks, the focus of the departed oscillating decade. "We are negotiating for new premises not far off," says Marks, but will not say where: "You've got to be careful. The Arabs buy everything they can and they offer telephone number figures."

Fuel for thought

A colleague has just been given the task of telephoning the international banks in London, all 270 of them, and asking them who handles their energy projects. She has been a bit bewildered by the response.

A few banks' switchboards help her instantly. On other occasions her questions are greeted with a chuckled "There are only two of us here." One bank, perhaps thinking she was inquiring about the bank's own fuel requirements, regretted that the caretaker was out. Another operator wearily replied "No one here has any energy." And a third, baffled, demanded: "Energy? What's that?"

Quite wide

Embroidery of the facts has to allow at least a glimpse of the truth. A colleague reading a press release about a new Lloyd's underwriting syndicate was surprised to read: "The territorial scope of the acceptance of business will be world wide, excluding the U.S." The syndicate's world will be a slightly shrunken one—the U.S. provides two-thirds of the world's insurance business.

Observer

POLITICS TODAY

Nasty choices in Southern Africa

" the first tasks of the ..th African Government ..to receive a delegation ..e five key western ..s in Pretoria asking it ..sider Mr. John Vorster's .. not to go ahead with ..ited Nations plan for ..endent Namibia.

..ld be difficult to under- ..e importance of that .. or the consequences of ..ight flow from it. For ..n be very little doubt .. is now the future of .. rather than of Rhodesia ..ll determine what hap- ..ext in Southern Africa ..relations with the out- ..rld. In particular, it is ..mibian question which is ..o determine whether or ..ere will be a United .. call for economic sanc- ..ainst South Africa.

.. future of Rhodesia is ..o be decided either at ..ference table or on the ..eld, or perhaps through ..ure of both. But the ..n of sanctions in this .. has become irrelevant. ..one is told—and believes .. at the meeting between ..nes Callaghan and Presi- ..Kaunda of Zambia in .. last weekend, the sub- ..as hardly raised. Presi- ..aunda took the view that ..dings of the Bingham .. on the evasion of sanc- ..are a matter for the .. rather than for the ..s. The Africans have no ..t in whether the British ..ment launches a follow- ..uiry and, if so, of what over the years, and a follow-up inquiry would presumably throw even more—which is one of the reasons why we should have one. But that has nothing to do with what to do next about Rhodesia.

It seems to have been agreed in Nigeria at the week-end that the only possible thing to do was to try once again to get the warring factions, including the factions within the factions, to the conference table. The Nigerians, whom everyone now recognises as key figures, endorsed the idea on the spot. President Kaunda went off to try to convince his fellow front-line African Presidents, while the British went off to tell their western allies. Dr. David Owen, the Foreign Secretary, more or less went public when he told the UN in his speech on Wednesday that the conference would be called in the very near future.

The plan may or may not work. A semi-informed guess would be that assurances have been received from most of the required parties that they are prepared to attend, though what might happen if and when they get there is another matter. But the point is that if the conference fails, it is generally recognised that there is no alternative to going back to the battlefield. The times when you could hope to exert pressure on Rhodesia through economic sanctions or diplomatic persuasion from South Africa are over.

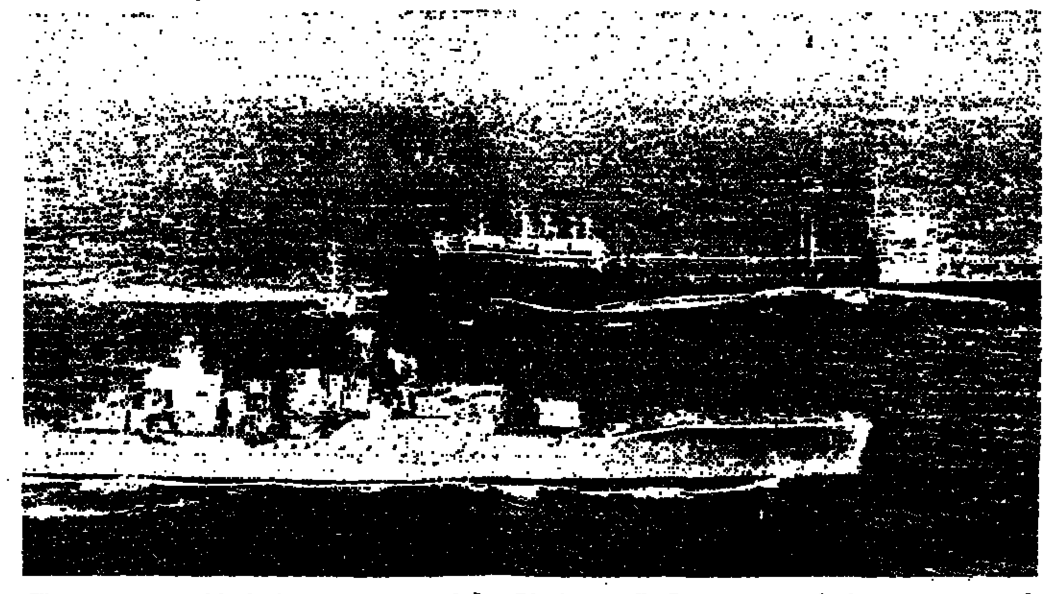
Namibia is quite different. The problem there is that the collective weight of the western alliance has been exerted on South Africa to come to an internationally acceptable solution, but for the moment at least, South Africa has refused to respond. If the new South African Government cannot be persuaded to change course, the pressure will be upon the West. There will be a demand in the UN to impose economic sanctions on South Africa, the very issue which British governments have been hoping to avoid for years.

Rhodesia in a way was largely a British affair. The British Government found itself saddled with responsibility at a time when hardly anyone else was much interested in Africa. It was no less than 10 years after UDI, for instance, that an American Administration first acknowledged that something serious would have to be done about it. But in Namibia the western powers have been involved in a quite deliberate and co-ordinated attempt at preventing the worst from happening. What is more, at least until recently, they carried with them the bulk of the African States.

The contact group at the UN, composed of Britain, France, the U.S., Canada, and West Germany, was winning general support for the idea of United Nations supervision of Namibian elections which would be followed by independence. The Namibian nationalists seemed to be going along with the western approach, and so did the South African Government. Even China voted in favour. There was therefore no point in the Soviet Union opposing so long as the western plan seemed acceptable to the Africans. Yet it was this very plan which Mr. Vorster rejected in almost his last act as South African Prime Minister.

..n an African standpoint ..ent Kaunda is right. ..m is about the past. The ..ance of the report is that ..ows some light on the ..gs of British government

The risks are now very great. Precisely because the West was so closely involved, its credibility must be in some doubt now that it has apparently failed to deliver. That is why so much effort will go into trying to persuade the new South African Government to reconsider. If it refuses to do so, then the threat of sanctions will become real. Moreover, there is not much time left: the South African authorities are at present planning to hold their own form of elections in Namibia in early December.



The attempt to blockade tankers bound for Rhodesia: HMS Plymouth shadows a suspected oil-runner off Mozambique.

Of course, the South Africans might well assume that the West is bluffing. If it does come to a UN call for sanctions, at least one of the three permanent western members of the Security Council—Britain, France and the U.S.—will exercise its veto, and the South Africans could be right. At the very least, however, it seems quite likely that we are in for a new debate about the merits and demerits of sanctions even before the findings of the Bingham report have been fully digested. This debate ought to be very careful and thorough in a way that the debate over Rhodesia was not, and the essential questions to be borne in mind are: what are sanctions meant to achieve, and how will they do it?

Paradoxically, the application of economic sanctions to a large country even with a long coastline ought to be easier than to a small land-locked one. The problem with Rhodesia, as the Bingham report makes fully clear, is that its requirements were so limited that it was impossible to distinguish between what was going into South Africa for domestic consumption and what was being passed on across the border. Anyway South African law forbade any such distinction to be made. Rhodesia thus had a very powerful protector.

In the case of South Africa no such protector would exist. The country would have no friends at all. The application of sanctions would require a large naval blockade, and that in turn would mean the participation of the U.S. Navy, but physically it could be done.

The sanctions could also be much tougher than those applied to Rhodesia if they were applied to air travel. One of the great unexplored loopholes of the Rhodesian sanctions was the ease with which visitors to and from that country were allowed to fly around the world. Yet an international decision to deny landing rights to South African Airways could have an immediate effect on South African life.

It remains that South Africa has long built up stocks in order to withstand sanctions; it is not even as dependent on oil supplies as people used to think. There could be no question of a sudden collapse, but the country could be cut off in a way that Rhodesia could not unless sanctions had been applied to South Africa as well.

Yet the real issue is altogether different. It is—assuming that South Africa were reduced to a beleaguered position—what happens next? How do you guarantee that the South African whites draw the enlightened lesson and negotiate a transfer of power? On the contrary, is it not at least equally likely that the South African authorities will become more and more repressive and the blacks more and more rebellious even to the point of civil war? And if that happens, what do you do then? There is, of course, one thing you could do. You could follow up the naval blockade with an invasion and try to take over the whole country, but is that what anybody is seriously contemplating?

It is that guarantee of sanctions achieving the political objective of an orderly transfer of power which is conspicuously missing. Without the reasonable expectation that sanctions would lead to a political solution, they are in fact a recipe for chaos. They might salve the conscience of those who regard the future of South Africa as primarily a moral issue. They might keep the blacks on our side for a while. But it is unlikely that they will solve the problem of how to achieve peaceful change in South Africa.

There is another lesson from the Rhodesian affair. Sanctions against Rhodesia were undertaken without any proper thought about how they might work. What is worse, they were maintained even when it became clear that they were not working because the British Government did not want to face up to reality. Their maintenance encouraged a process of double-think whereby the British Government pretended in public that sanctions were being enforced, while knowing in private that they were unenforceable.

In this sense the South Africans are probably right. Somewhere in the western alliance, though perhaps not in London, the view will prevail that there is no point in pursuing a policy that is so unlikely to achieve its objective. Therefore, if the demand for sanctions does come up at the UN, it will be vetoed.

Yet for the South Africans it is not so simple. By their Namibian initiative the western powers offered South Africa a lifeline to civilised change and a continuing passport to the outside world. If it goes on being rejected, it is hard to imagine that things will ever be the same again, even despite a veto on sanctions. For the absence of mandatory sanctions will in no way decrease the pressures on the West to break its links with South Africa. In the long run it will only be the difference between fast and slow ostracisation with neither course promising any hope of peaceful change.

For the moment the chance is still there for the new South African Government to take. No doubt there will be a great deal of bluffing and counter-bluffing. But it should at least be possible to see how much there is at stake—both for South Africa and for the West, and all in the next few weeks.

Malcolm Rutherford

Letters to the Editor

..sgorge the ..ofits

.. Mr. R. Instone

..— If, as you report ..mber 27) on the basis of a .. by Mr. Nicholas Goodison, ..tock Exchange no longer ..s making insider dealing ..inal offence, it is important ..e issue should as soon as ..le be the subject of in- ..d and dispassionate debate. .. only worthwhile argument .. see for creating such an ..e is that its existence might .. some people from insider ..g who would not be ..ed so long as it is not a .. The main counter-argu- ..is that, to prevent evasion, ..iminal area must be widely ..ps too widely, drawn.

.. this purpose, nothing less ..the approach made in the .. Companies Bill published ..uly (in Cmnd. 7291) would .. opinion be adequate. This .. Clause 57) creates five ..ate offences, which may be ..arised as follows:

..o deal in the shares of a ..ompany as an insider, or ..ecent "ex-insider," of that ..ompany on the basis of ..rice-sensitive information ..btained as an insider;

..o to deal, on the basis of ..uch information, in the ..hares of any other company;

..o procure someone else to ..eal while the procurer ..ould contravene (a) or (b) ..f he dealt himself;

..o pass on inside infor- ..nation, with a view to a deal ..nitiated by the recipient, in ..he same situation; and

..o deal or procure a deal as ..n "outsider" on the basis of ..rice-sensitive information ..which he knows to have been ..derived from an insider.

..riminal law is to be invoked. .. of these provisions could ..bandoned without reducing ..emainder to futility. But is .. any alternative?

..e, perhaps, is worthy of con- ..ation. In the White Paper on ..Conduct of Company Direc- ..published in November, 1977 ..d. 7037) it was stated that ..Government had reached no ..lusion on whether to extend ..scope for a "disgorgement ..n" to take the profit out of ..er dealing, and would wel- .. further discussion of it. But ..e is nothing about it in the ..t Bill.

.. is at least arguable that a .. risk of having to disgorge .. profit would be a better ..rrent against insider dealing .. the criminal sanctions in the ..t Bill, that is imprisonment ..or a fine which is not geared ..he profit. The draft Bill ..ady provides (in Clause ..)) that a director who ..ches his duty to his company ..countable to it for any result- ..gain. Would it not be worth ..idering the introduction, for ..experimental period, of a ..lar liability to account, in .. of the five cases listed above, ..ead of making them criminal ..nces? All that would be ..ired is statutory authority ..the institution of the neces- .. proceedings by any company ..erned, or by any of its share- ..lers.

.. this proved inadequate in ..tice, the case for including ..inal sanctions in the next ..panies Bill but one would be ..h stronger.

..ph Instone.
..Old Square,
..coln's Inn, WC2.

..hort swing ..lealings

..m Mr. E. Chappell

..ir,—At last the true concerns ..ut insider dealing are being ..e widely voiced (see Lex, ..tember 27): but surely the ..nary area for debate should ..be the relative merits of statutory versus non-statutory control, but rather a more precise analysis whether it really is possible to define, in adequately legal terms, what is meant by the offence: while we can all recognise it when it happens, both the Stock Exchange's model code and the legislative clauses are quite inadequate on this drafting point.

At present, the spectrum of objectionable dealing ranges from a chairman engaged in active discussions for a takeover bid for his company to be announced the following morning, to the investment analyst who has visited a company's research establishment and been impressed by the calibre and enthusiasm of the team: factors which might produce a profit improvement in five or more years' time. On an over-literal interpretation, both are in possession of information "which is not generally available and would, if it were so available, be likely (materially) to affect the price of those securities." Both might wish to deal or recommend others to do so: one clearly should not, the other clearly can. Between the two extremes lie all the problems of trustees, with obvious conflicts of duties, and the recipients of careless talk (not, alas, as infrequent as it should be).

For directors and others specifically connected with a company, including all employees, a simple rule would require only an adaptation of the American "short swing dealings" provision to British company law: dealings by such persons must be restricted to a specific open season, but with the further constraint that any net profits actually realised within (say) 12 months are accountable to the company. This catches the most flagrant offences and avoids the definition problem—and gives time to develop more practical experience before accepting the extension of the offence to tippees. Neither codes nor Acts can be based on the present vague definition, which brings with it the disadvantages that it would be interpreted by juries with all the benefit of hindsight: both self-regulation and legislation become equally unsatisfactory on that basis.

E. P. Chappell.
32, Frognal Lane, NW3.

Non-executive directors

From Mr. L. Dighton

Sir,—Mr. E. Dodson (September 26), asks why there is not more evidence of talented executives serving as non-executive directors on the boards of other companies.

The main reasons on the supply side are to do with reward and risk. Talented individuals of an entrepreneurial kind, mostly from the smaller companies, question both the relationship between the rewards available and contribution which can be made, and the increasing tendency to define the role of the non-executive as auditor rather than entrepreneur. Larger companies are sensitive about the risks to their names by association, however tenuous, with another company which might experience difficulties, and are asking what they get in return for acting as a source of supply.

These supply constraints are diminishing rapidly and larger companies in particular are now positively seeking the added values to experience and personal development, which can be gained from the right external appointments as non-executive directors. More real are the demand constraints which restrict the natural size of the market open to executives who, however competent, are largely anonymous to the outside world.

Many chairmen still define the role of the outside director essentially as supporter and restrict the process of selection therefore to known supporters, rather than identifying potential contributors and screening subsequently for compatibility.

The largest companies (say £1bn turnover upwards), by virtue of the depth of their own professionalism and relative stability of their businesses, are looking for a contribution from their outside directors which is more external and advisory in nature and macro in scale, which tends again to restrict selection to a relatively small number of known or visible individuals.

Non-executive directors once appointed tend to serve for long and indefinite periods. The quality of detachment which can be brought by a good mind untrammelled by history and prior commitment inevitably alters over time and while this new contribution may be valuable it no longer is essentially that of an outside director. Term appointments for outside directors should be clearly specified periods on the accepted premise that the association will cease at a specified point in the future unless there is a positive election by both parties to renew.

All these factors restrict the opportunity for good executives to serve as outside directors, although there is still a large section of the market which is open and showing some signs of greater activity. The constraint is increasingly one of demand rather than supply and companies seeking new outside directors potentially have an embarrassment of riches to choose from.

Leslie Dighton,
Corporate Consulting Group,
24, Buckingham Gate, SW1.

Environmental interests

From Irene Coates

Sir,—I have some good news for Mr. Morgan-Grenville (September 26). His newly-formed organisation The Green Alliance is not, as he states, the first to bring European environmental interests together. Nor is it the first to hammer out a common manifesto. The European Environmental Bureau has been actively engaged in doing just that during the last four years, and has produced "One Europe one environment"—a manifesto, which has already been widely distributed. The Green Alliance has more friends than it yet realises.

Irene Coates.
The Conservation Society representative,
European Environmental Bureau.
Vautierstraat 31
B-1040 Brussels.

Nuclear power

From Professor P. Grant

Sir,—With considerable distaste I feel I must comment on the letter from Mr. Morgan-Grenville (September 26), which is typical of many of the so-called arguments against nuclear power. What I find objectionable are the subtle implications of dishonesty among the professional engineers involved ("bland reassurances to an uneasy public," "incestuous nuclear hierarchy") coupled with allegations of lack of safety which are so inaccurate and general that they cannot be discussed sensibly, let alone refuted ("massive doubts about safety," "silence about many nuclear incidents").

This is not an industry based on an "elite technocracy" except in so far as those involved have a very high level of technical competence. It involves plain down-to-earth engineering. The principles on which nuclear reactors are designed and operated can be readily understood by anyone prepared to take the trouble to do so.

Of course there are potential hazards but it is the purpose of good design to ensure that they do not become a reality; the nuclear power industry has a quite remarkable safety record. Nothing can ever be absolutely safe. In the field of energy production, which is preferable: a one-in-a-million chance of a serious nuclear accident or the statistical certainty that about fifty miners will be killed next year producing coal?

Those of us, including the environmental lobby, who are outside the nuclear establishment can play a positive part in helping to ensure that safety standards are maintained. The cause of safety is not advanced by rabble-rousing polemics.

Finally, it has been suggested that the nuclear industry is under attack as a conspicuous first target in a general attack on technology as a whole. It is reasonable to ask what type of life we are to have without it? Are we to return to the 18th century when life was elegant and pleasant for the few but short and brutish for many? I hope they use tallow candles for lighting in the Green Alliance and not part-nuclear electricity. I trust also that those attending the Swiss meeting travelled by bicycle and bullock-cart — or did they go by air, helping to pollute the atmosphere with kerosene?

P. J. Grant
(Professor of Nuclear Power),
Imperial College of Science and Technology,
Department of Mechanical Engineering,
City and Guilds College,
Exhibition Road, SW7.

Development in rural Wales

From the Chief Executive, Development Board for Rural Wales

Sir,—Special problems need special solutions. The problem being tackled by the Development Board for Rural Wales in mid-Wales bears little similarity to that of south Wales and, just as in Scotland, it has merited a body with a particular blend of economic and social development powers. The "fine brush technique" has worked in the Highlands of Scotland and it is going to work in mid-Wales.

Your article "Agencies galore" (September 27) referred to a House of Commons Select Committee Report. This Committee in fact complimented the Development Board for its success in attracting new business to its area. Its comments on "confusion" referred to the attraction of industry from overseas. This was surprising. In my experience of this work in all parts of the United Kingdom the responsibility for overseas promotion is more clearly defined in Wales than anywhere else. It rests with the Development Corporation for Wales of which the Development Board is a member and to which it gives full support. The Development Board does no promotion overseas.

It is a tidy solution to suggest all broadly similar tasks should be lumped together in one amorphous body, but what is to be gained? It doesn't take less people—often it takes more and in the case of mid-Wales it would preclude the development of a specialist approach to its problems. Big is seldom beautiful for a rural area. It always leads to the rural area being ignored because of the heavy pressures from the urban areas. That is what has happened in the past in Wales.

There is no confusion among the development bodies on their respective roles. Nor is there confusion among our customers in the Board's experience of handling 500 prospective industrialists during the past 18 months not one has mentioned the word confusion.

Dr. W. Iain Skewis.
Ladywell House, Newtown, Powys.

Tourism in the UK

From Mr. J. Payne.

Sir, — May I refer to your article of September 26 in connection with the British Tourist Authority's request to the Government for an additional £2¼m a year from 1979-80 to promote tourism in Britain.

Let all those involved in the promotion of tourism to and within Britain heartily and with a strong face support the efforts of BTA. Surely the marketing of tourism to Britain within the past decade has been one of the outstanding success stories.

Surely the pittance that has been requested by BTA has to be taken in the light of the staggering figure of 11.5m overseas visitors who spend a phenomenal amount of £2.75bn within Britain and on fares with UK air and shipping lines.

Quite contrary to the popular belief of most people, a survey conducted by the English Tourist Board on Londoners' attitude to tourists and tourism published in July revealed that at least 67 per cent of Londoners recognise tourism's contribution to the city's economy and 76 per cent see tourism's benefits outweighing its disadvantages.

For how much longer can the government bury its head in the proverbial sand and pretend that the tourist industry will go away if continually ignored? What other industries are there that have contributed to the balance of payments so significantly and yet have so often been maligned and gone unrecognised?

At the same time, recognition should be given to the other three statutory members that were set up in the Development of Tourism Act, namely the English, Scottish and Welsh Tourist Boards—will they also be given a slice of the additional £2¼m now being requested by Sir Henry Marking?

Julian L. Payne.
36, Corringway, London, W5.

Heaters for drinks

From Mr. J. Irons.

Sir, — Mr. A. Collins asked (September 16) why electric kettles are not made in small sizes. Since his house is called Waratah I wonder whether his letter is really an indirect query as to why drink heaters are not available in Britain.

Drink heaters consist of a small vessel with an external electric heater around the lower portion. The upper part of the vessel has a larger diameter than the lower so that if milk is being heated it cannot boil over. They are made in several sizes, from one cup upwards. In the early 1960s they were available in Australia and no doubt are still sold there.

J. Irons.
74 Brimstage Road, Heswall, Wirral, Merseyside.

Today's Events

GENERAL

Labour Party pre annual conference national executive meeting in Blackpool.

European Petrochemical Association annual meeting in Monaco.

UN Security Council debates Namibia for second day.

U.S. leading economic indicators for August published.

Canadian trade statistics for August published.

Mr. Roy Jenkins, president of EEC Commission, second day of talks in Athens with Greek Government on EEC membership.

Institute of Management Consultants holds first annual conference at Maidenhead.

Election of Lord Mayor of London at Guildhall.

London Chamber of Commerce and Industry conference on "Coping with the Export Risk," at Royal Automobile Club, Piccadilly.

Exhibition of German and British crafts opens at City Museum, Birmingham.

London Arms Fair (antique and modern weapons and other militaria) opens at Royal Lancaster Hotel, London.

Royal Air Force Association Battle of Britain Ball at Grosvenor House, London.

COMPANY RESULTS

Interim Dividends: Cakebread Robey and Co. Hambro Life Assurance. Charles Hurst. Lyle Shipping Company. F Miller (Textiles). Modern Engineers of Bristol (Holdings). James Neil Holdings. North British Canadian Investment Company. Royco Group.

COMPANY MEETINGS

Carrington Investments, 75, Horborne Road, Birmingham, 12. Cavenham, Cavenham House, Hayes, Middlesex, 11. Electrocomponents, Great Eastern Hotel, EC, 12. KCA International, Hotel Inter-Continental, W, 12. Midland Educational, Midland Hotel, New Street, Birmingham, 12. Textured Jersey, 100, Old Broad Street, EC, 12. Webb Joseph, Station Hotel, Dudley, 12. Wiggins Construction, 57, Hart Road, Benfleet, Essex, 12.

SPORT

Tennis: Pernod Trophy, Nottingham.

Gymnastics: Combined International, Crawley.

Hockey: European Under-21 Championship, Dublin.

LUNCHTIME MUSIC, London

St. Paul's Cathedral—organ recital by Richard Townend, 12.30.

St. Stephen Walbrook—organ recital by Christopher Kent, 12.50.

COMPANY NEWS

Offshore losses depress Vickers in first half

AFTER ALLOWING for "significant losses" on the offshore engineering side, Vickers has turned in lower group pre-tax profits for the first half of 1978—down from £6.3m to £4.47m on a comparable basis.

The 1977 figure excludes contributions from the nationalised interests totalling £11.81m (of which £7.97m relates to the share of the British Aircraft Corporation's profits) while the 1978 profit is after stripping out an interest credit of £0.69m in respect of compensation payments on account.

The directors report that negotiations with the Government on compensation are in progress. Payments on account amounting in total to £10.1m have been received, on which an interest credit of £688,000 has been included in the results for the first half of 1978.

Other than offshore engineering, UK operations together achieved higher profits than last year, while in Australia and Canada the contribution was lower. The Canadian performance was severely affected by a four-week strike.

Referring to offshore engineering the directors explain that the effects of rapid developments in underwater technology and weak market conditions have combined to produce the loss situation, particularly in Vickers Oceanics.

Actions already taken and those in hand supported by a continuing research and development programme, are aimed at strengthening the position of these businesses in this important sector.

At the attributable level profits emerge at £2.42m, compared with £8.52m which includes contributions from the nationalised parts of the group, and earnings per £1 share come out at 3.5p against 19.5p.

The interim dividend is unchanged at 3.85p costing £1.68m—the total for 1977 was 9.81p paid from profits, including those attributable to nationalised interests, of £25.06m.

	Half-year 1978 £000	1977 £000
Sales	191.4.3	*236.493
Trading profit	10.053	†16.146
Investment income	11.1	41
Net interest payable	3.201	5.684
Profit before tax	5.160	10.503
Share of associates loss	3	‡7.613
Profit before tax	5.157	18.116
Taxation	2.100	8.800
Net profit	3.057	9.316
Minorities	441	601
Preference dividends	191	191
Attributable ordinary	2.423	8.524

* Includes shipbuilding sales £59.14m. † Includes shipbuilding trading profit £3.84m. ‡ Includes share of profits of British Aircraft Corporation (Holdings) £7.97m.

See Lex

INDEX TO COMPANY HIGHLIGHTS

Charles Sharpe at £0.88m

FOLLOWING THE warning in March that full-time profit would fall short of the previous season's record Charles Sharpe and Co., seed grower and merchant, reports tax profit for the year to June 30, 1978, down at £880,169, compared with £1,000,337 last time.

Tax took £494,460 (£569,049), leaving a net balance of £385,709 (£431,488).

The net final dividend is raised to 17.76p for a total of 21.88p (19.6p).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberdeen Const. ......int.	2	Nov. 17	1.79	—	4.61
Alva Trust ......int.	3.18	Oct. 31	2.81	—	6.11
Amber Day	1.43	Nov. 28	1.27	2.16	1.94
APV ......int.	2.23	Oct. 25	2.0*	—	5.71*
Assd. Book ......int.	1.9¶	Oct. 31	1.5	—	4.02
C. T. Bowring ......int.	1.01	Nov. 20	0.91	—	2.98**
Brown Bros.	0.62	Dec. 29	0.75	1.62††	0.95
Combined Eng. Stores int.	1.72	Nov. 17	1.54	—	3.24
Down Surgical ...1st int.	0.8	Dec. 4	0.7	—‡	2.33
Dunlop Hldgs. ......int.	2.65	Jan. 2	2.65	—	5.3
James Finlay ......3rd int.	2.5	—	—	—	2.18
Footwear Ind. Inv.	2.99	—	2.6	4.39	3.87
Galliford Brindlay	2.67	—	2.3	3.42	3.06
General Invs. ......int.	1.7	Oct. 31	1.6	—	4
Gordon and Gotch ...int.	2.95	Nov. 3	2.64	—	2.64
Alex Howden ......int.	2.5	Nov. 13	1.5	—	5.59
HTV Group	6	—	4	9	10
Hunt and Moscrop	0.46	Dec. 1	0.46	0.78	0.7
P. and W. Maclellan ...int.	0.5	Nov. 10	0.5	—	1.3
J. and J. Makin	1.29	—	1.15	1.73	1.55
R. P. Martin	2.5	Nov. 11	3.44	4.5	5.94
Morrison Supermrkts. int.	0.35	Nov. 6	0.32*	—	0.75*
New Cen. Witwatersrand	17†§	Nov. 17	12.5	22	16.5
Owen Owen ......int.	0.72	—	0.62	—	2.86
RMC ......int.	2.79	Dec. 1	2.5	—	8.56
Refuge Assurance ...int.	3‖	Nov. 10	2.5	—	9.1
Charles Sharpe	17.76	Nov. 21	15.85	21.88	19.6
Vickers ......int.	3.85	Jan. 3	3.85	—	9.81
Whatman Reeve ......int.	2.71§	Nov. 3	2.24	—	4.05
Woodrow Wyatt	0.1	—	Nil	0.1	Nil

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Second interim of *0.8p forecast for 15 months and final to be recommended next August.* § 1.814p final forecast. ¶ Plus additional 0.0388p for 1977. ‖ To reduce disparity. ** Includes additional 0.030899p now payable. †† For 18 months. §§ For 14 months. South African cents throughout.

Bowring 27% ahead to £19m at midyear

FROM TURNOVER of £645.02m compared with £548.78m taxable profit of C. T. Bowring and Co. advanced 27 per cent from £14.95m to £19.07m in the first half of 1978, with all sectors of the group, apart from shipping, contributing to the increase.

Directors say profits for the full year are expected to show an improvement over last year's peak £33.01m, although the rate of growth of the first half is not expected to continue in the final six months.

They say insurance broking profits increased in the period despite the weakness of the U.S dollar, and there was an increased contribution from underwriting. The credit finance and engineering subsidiary, Bowmaker, had an excellent first half and merchant banking trading profits showed improvement.

Shipping contributed a further loss, but for the year the operating loss is expected to be less than in 1977. It will be mitigated by exceptional profits.

After tax of £9.92m (£7.79m) net profit came out at £9.15m (£7.17m) before minority interests of £269,000 (£204,000).

The interim dividend is ahead from 0.9075p net per 25p share to 1.013375p, and an additional 0.030899p is to be paid for 1977. Last year a 2.039334p final was paid.

See Lex

Dunlop falls by £10m in adverse tyre market

LOW COST imports and a European tyre market still suffering from excess capacity eroded performance at Dunlop Holdings during the first half of 1978. Sales were 9 per cent higher at £749m, against £685m, but volume was little changed and operating profit fell £9m to £32m.

The surplus at the pre-tax level was down at £22m compared with £32m last time. On a current cost basis according to the Hyde Guidelines, this would be reduced, by extra depreciation and costs of sales less gearing adjustment, by £17m (same).

The tyre business, especially in the UK and Ireland continued to be difficult and the British, Irish and German tyre businesses showed losses though in France there was a recovery to a small profit before financing charges.

In some countries imports were priced at levels which could barely cover manufacturing costs, the directors comment.

Prospects overseas and for products other than tyres in Europe are reasonably satisfactory, but substantial improvement in the performance of the group's European tyre business remains a prime objective they state.

Last year, when profits slipped from a peak £72.2m to £57m, activities other than tyres produced two thirds of the total.

The net interim dividend is held at 2.65p per 50p share—the final last time was 5.3p

Exports for the half-year were 8 per cent better at £79m.

Tax, with the deferred element treated in accordance with ED 19, was only marginally lower at £13m (£14m) including £11m (£12m) for overseas tax. Net profit emerged halved from £18m to £9m and the attributable surplus was £5m (£10m).

The increase in the relative burden of tax reflected the greater proportion of profit earned overseas and certain losses unrelieved for tax, the directors explain.

With the rise in disposable incomes in the UK the consumer products divisions earned substantially higher profits. Although the market for capital goods was sluggish the group's wide range of industrial products made good progress. The sales and profits of engineering products were also satisfactory.

Profits in most of the manufacturing subsidiaries outside Europe were higher than in 1977, with particularly good results in Malaysia.

The share of associated companies' profits included £4m (£8m) from Pirelli companies (before Dunlop's financing charges and tax). Minority shareholders' interests of £4m (£8m) included £2m (£6m) profits (after financing charges and tax) attributable to Pirelli from Dunlop companies.

A loan of DM 74m (£19m) was repaid in August and arrangements have been made to repay the remaining loans of DM 88m (£23m). Re-financing is by sterling long term loans.

See Lex

Woodrow Wyatt cuts loss

A PROFIT of £180,110 in the second half of the year to March 31, 1978, by Wodrow Wyatt Holdings against losses of £246,983 in the same period of 1976-77, reduced the year's deficit from £259,715 to £68,238 before tax.

Profitability is continuing in the first six months of the current year, the directors say, and the order book for the second half—which is usually the better half—looks favourable. Trading generally has improved.

A nominal dividend of 0.1p per 5p share is proposed. The last payment was a single 1.13p interim in 1975-76.

Sales for the year amounted to £5.92m against £5.48m. The loss is after interest £203,825 (£220,890) and exceptional debits £69,975 (£242,820), but before tax £36,094 against a £161,933 credit last time.

Principal activities of the group includes: print finishing, sheet-fed litho printing, periodical, house journal, etc., printing.

Improved North America result lifts APV to £8½m halfway

LARGELY REFLECTING improved results from North America, group pre-tax profits of APV Holdings showed an increase from £7.67m to £8.47m in the first half of 1978. For the second half Mr. H. P. Benson, chairman, expects to see some further improvement but stresses that this must be subject to currency movements, particularly that of the U.S. dollar.

Order intake for the half year at £123m is running at a similar annual rate to that achieved in 1977—allowing for inflation this means some reduction in volume

The chairman says that there is a variable picture of demand for group products. In North and South America, the Far East and Australia, activity has been good but in Europe, UK and the Middle East, there has been a reduction in demand.

Orders in hand are still at a high level and the chairman feels that sales invoicing will be better in the second half.

He points out that North American companies contributed 40 per cent of the first half pre-tax profit.

Basic earnings per 50p share in the half year are stated to be up from 12.23p to 13.54p and fully diluted they are up from 11.2p to 12.23p.

The interim dividend is effectively raised from 2p to 2.2346p—the total for 1977 was equal to 5.71p paid from profits of £16.65m.

Subject to tax of £850,000 against £728,000 previously, profit of Hall-Thermotank, the APV subsidiary, pushed ahead from £1.14m to £1.37m in the first half of 1978.

Turnover for the period was £34.26m against £31.2m and after tax and minority interests of £18,000 (£10,000), available profit was £472,000 (£374,000).

● **comment**

The sluggish growth in UK manufacturing investment and the drop in the value of the U.S. dollar are limiting APV's profits growth. Order intake is running at much the same level in value terms but is down on volume. The value of orders in hand has grown from £150m at the beginning of the year to around £180m but this is due to the rate of sales invoicing. The slackening in UK activity, means that the company is no longer insulated from the slow general economic growth rate. Overseas the operations in the U.S. were particularly buoyant and activity was good in the Far East and Australia. Europe and the Middle East were not as bright as there was a general drop in demand for general engineering products. The share price fell 7p to 238p despite a forecast that results for the year will exceed last year's pre-tax figure of £16.6m which the market is interpreting as around £18m. At this level the shares have a prospective p/e of 8.9 and a yield (assuming maximum dividend increase) of 4 per cent.

Early payment of Gordon & Gotch interim

The directors of Gordon and Gotch Holdings have brought forward by four months the payment of its interim dividend for the March 31, 1979 year. The 2.948p dividend is equal to last year's only payment, an interim of 2.64p, plus 10 per cent, and the early distribution follows the Government legislation which forced the company to forego its forecast doubled final for 1977-78.

They say any further payment to shareholders in the current year will depend on the board's recommendations of what further steps they consider should be taken in the best interests of shareholders.

They are confident that the interim payout date from the usual March to November will indicate the board's concern that shareholders should receive an appropriate return from their investment.

CES £1m higher midway—substantial growth seen

WITH ITS mainstream UK activities enjoying favourable trading conditions, pre-tax profit of Combined English Stores Group more than doubled from £651,000 to £1,689,000 in the 28 weeks to August 12, 1978.

Turnover for the period was £34.18m compared with £25.95m last time, and profit includes £337,000 (£295,000) from the disposal of property, and associate income of £86,000 (£134,000).

A £957,000 extraordinary loss relates mainly to the disposal of its Belgian subsidiary, Lindor, and includes £602,000 of goodwill written off. It also covers the termination of activities of Pauls Carpet Warehouse. After this item and tax of £676,000 *(£282,000) profit came out at* £36,000 (£369,000).

To cover the interim dividend payment of 1.715p net per 12.5p share (1.5557p), £293,000 has been transferred from reserves. Last year £58,000 was transferred to reserves, and a final of 1.7066 was paid on profits of £4.34m.

Mr. Murray Gordon, the chairman, says the Kendall chain of 84 ladies fashion shops, which was incurring losses when acquired, was succesfsully turned round to make a positive contribution in the period He is confident Kendall will make a greater contribution for the remainder of the year and will progress to become one of the most important fashion companies in the group.

He says he has great confidence that this year will be another of substantial growth for the group. It has considerable financial and managerial strengths and further opportunities for expansion are actively being sought.

● **comment**

Sales are roughly one quarter better at Combined English Stores after stripping out a total of £3m from Kendall and adjusting for new stores. That leaves volume growth of about 15 per cent—by any standards an impressive performance. On the back of this taxable profits are one and a half times better, though only 19 per cent up on the 1975 peak. At any rate CES is back in top gear. with its fashion shops just at the right end of the retail spectrum to cash in on the current spending spree. Salisbury's has done the best. Fenton recovered from its poor showing last year, and Kendall has already chipped in £50,000, despite losses of £600,000 in the year before acquisition. The only bleak spot was Germany, where the joint venture with Dutch insurance group, Amev, ran into bad weather. Spending, however, is picking up there and, with Lindov now out of the way profits of £6m (net of property disposals) look probably for the year. With *plenty of cash in hand the possi*bility of a big UK takeover adds interest to the shares. At 126p the shares currently stand on a prospective p/e of 8.6, held back perhaps by a yield (with the prospect of a slightly more than 10 per cent increase) of 4.4 per cent.

ISSUE NEWS AND COMMENT

West Kent Water £1.5m preference offer

Underwriting has been completed for an offer for sale by tender of £1.5m West Kent Water Company 7 per cent redeemable preference stock, 1983, at a minimum price of £97.25 per cent.

The stock is payable as to £10 per cent on application on October 5 with the balance on or before December 21.

Interest will be payable on January 2 and July 1. The first payment, on July 1, 1979, will be at the rate of £3.839 per cent. The stock will be redeemed on December 31, 1983.

At the minimum tender price the stock's flat yield is 10.74 per cent while the redemption yield is 11.18 per cent.

Brokers to the issue are Laurie Milbank and Co.

● **comment**

Following the good demand for Bristol Waterworks last week, there is no reason why West Kent Water should not get a good response. Bristol is yielding 10.7 per cent flat and 11.08 per cent to redemption at the average tender price of £97.66 per cent, so tenders for West Kent will have to be pitched at least £97¼ per cent. However, a factor which might influence the level of tendering is that the first payment is on July 1, 1979—three months after Bristol's first dividend.

SOUTHWARK

The new Southwark 12¼ per cent 1987 stock opened at a discount when dealings started yesterday.

The stock, which is £10 paid, opened and closed at [illegible].

Southwark offered the stock at £99¼ per cent, but on application day underwriters were left holding 92.7 per cent of the issue.

Ferranti price expected to be well over £3

Considerable pent-up demand *for Ferranti stock is expected to* boost the ordinary share price to well over £3 when dealings resume this morning, jobbers said yesterday.

Ferranti's shares were suspended at the equivalent of 235p last month shortly before details were announced of a scheme whereby the National Enterprise Board would sell part of its stake in the company.

This included a one-for-one scrip of both voting, and non-voting shares (all of which are owned by the NEB). The non-voting shares have been reclassified as voting shares, half of which—amounting to 3.6m—have been offered by the NEB to the remaining Ferranti shareholders. The deal effectively reduces the NEB's stake from 62.5 per cent to 50 per cent.

All new shares will qualify for next year's dividends which the company says will total 5.75p net.

Ferranti family interests hold 28 per cent of the company.

The NEB and Ferranti agreed a basic price of £1 per share but the final figure will be subject to adjustment according to the movements in the stock market.

Amber Day little changed—buying Crombey for £2.5m

ANNOUNCING pre-tax profits little changed at £1.16m, against £1.1m, for the year to April 30, 1978, Mr. R. Metzger, chairman of Amber Day Holdings, reports that contracts have been exchanged for a £2.5m takeover of Crombey (Menswear) Holdings group.

Of the purchase price £1.6m will be in cash with £0.5m of this from a placing of the vendor's shares and £1.1m from bank facilities. Of the remainder £400,000 will be satisfied by the issue of £1m shares and £500,000 will be paid off at the rate of £200,000 a year.

Crombey trades as a medium price menswear retailers through 23 shop units, including two in Oxford Street. Profits are currently running at the rate of £600,000 a year and a healthy financial position enables a strong expansionary programme to be pursued, Mr. Metzger says.

Sales at Amber Day during 1977-78 rose to £17.22m (£14.27m) but profits were held back by an inter union dispute at the company's old Middleton factory which disrupted production during the spring.

At halftime, when the surplus was ahead to £615,422 (£555,419) the directors were confident of the outcome of the year's trading. Christmas trading had been a record and a high level of manufacturing sales was being maintained.

Tax for the year took £274,621 (£241,821), leaving a net balance of £880,799 (£861,896) for earnings per 10p share of 7.27p (7.08p).

A net final dividend of 1.4287p raises the total to a maximum permitted 2.1618p (1.936p). The board expects to pay a total gross dividend of 3.75p for 1978-79—an increase of 16 per cent.

At year end there was a new secured bank loan of £100,000 and bank and cash balances were down from £847,532 to £482,788. The directors value the group's properties at £2m above the book figure. The extraordinary loss on the disposal of properties this time was £12,155 (£33,676).

The manufacturing division is moving towards a level of automation in production methods which will make it as advanced as any in Europe, Mr. Metzger claims. This development will involve re-location and re-training of staff and a £98,520 provision towards the costs has been made.

Enlargement of the group by the acquisition of Crombey will mean that nearly two-thirds of Amber Day's profits will be derived from its retail outlets including eight in London's West End.

● **comment**

Amber Day's full year results disappointed the market, and the shares fell 4p to 42p. While the 21 per cent sales rise was in line with others in the clothing industry, profits increased by only 5 per cent, mainly because of the effects of an inter-union dispute which must have clipped at least £100,000 off the pre-tax figure. The retail side still gets most of its support from prime-position stores in the West End while the manufacturing division has built up a valuable client in Marks and Spencer, which now takes about a third of manufacturing capacity, though Albert Martin has recently demonstrated what happens to profits if M and S squeezes suppliers' margins. The company's financial year fell squarely into the period when consumer spending was at a low ebb, so the upturn since April should reflect in the current 12 months. Meanwhile, the acquisition of Crombey will boost the retail division's share of group profits from one-third to two-thirds. Crombey has been surprisingly resilient to the slump in demand for menswear and could contribute around £400,000 to profits this year. On the manufacturing side Amber Day has a current order book to keep plants busy for the rest of the year, and so overall, group prospects look much better this year. Profits of £2m look possible. The shares stand on a p/e of 5.5 while the yield is a solid 7.9 per cent. This compares with Raybeck's 5.3 and 9.9 per cent respectively.

R. Martin reduces dividend as outlook viewed with caution

PROFITS of R. P. Martin and Co., foreign exchange and currency broker, were down slightly from £684,411 to £645,812 in the year ended June 30, 1978, from turnover of £4.12m against £3.28m.

First-half profits were ahead from £337,328 to £359,853 and the directors said that at that stage, prospects for the second half appeared to be slightly improved.

There was an extraordinary debit of £42,064 (£128,679 credit) which represents costs of an abortive takeover in New York and overseas office relocation costs.

Although there is already considerable improvement in the overseas ventures in the first two months of the current year, the board is being cautious and recommends a reduced final payment of 2.5p (3.44p) cutting the net total from 5.94p to 4.5p

The year's profit includes other income of £45,014 (£65,585). Tax charge is £318,100 against £412,084 giving earnings per share of 3.09p (6.6p). There is a deficit at the year-end of £100,170 against a retained surplus of £155,727 last time.

The board states that no immediate tax relief is available for first-year losses and the tax charge is therefore grossly inflated.

However, with the improved ability to increase turnover, extended geographical and product diversification, and the tax advantage of these losses for the future, their expansion policy should soon start to bear fruit.

Charterhall slumps—waiting for oil to flow

A slump in profit from £109,738 to £16,455 is shown by Charterhall, formerly Charterhall Finance Holdings, for the year to June 30, 1978. The surplus was struck after a tax credit this time of £15,653, all charges, and writing off exploration costs.

The main feature of the period was the progress made towards bringing the Buchan Field to production, says Mr. Derek Williams the chairman. With BP Petroleum Development as operator, the field is scheduled to come on stream by the end of the third quarter of 1979.

In December last the company held a 0.333 per cent direct working interest in North Sea Block 21/1 containing Buchan oil field and North Buchan oil discovery and an indirect 4.2 per cent net production interest in the Buchan Area, through C.C.P. North Sea Associates.

The immediate future of the group will be centred around its investment in the Buchan Field from which material benefit will start to accrue with the onset of production, Mr. Williams says.

Group turnover for the year was down at £399,741 (£876,479), and stated earnings per 5p share dipped to 0.06p (0.39p). Again there is no divedend.

Additional oil and gas ventures have been undertaken by the company in the U.S. and in Australia some progress has been made in the exploration for base metals in the Mt. Keith area.

The financial companies in the UK continued to trade at a satisfactory level and provided sufficient earnings to cover the operating expenses of the group as well as the exploration expenditure of the oil division during the year.

Further progress has been achieved in the negotiations, which are continuing, to amalgamate the interests of the Charterhall Group.

Makin Paper increase

SECOND-HALF profits of J. and J. Makin Paper Mills showed a further improvement and have risen from £319,937 at midway to £414,646 giving a total for the year ended March 31, 1978 of £734,583 compared with £508,375 previously.

However, profits for the first half of the current year are likely to fall some way short of the second half's £414,646 mainly due to sluggishness in demand in some sectors and partly from the impact of holidays, the directors say.

The expected first-half profit fall is notwithstanding a payment of £180,000 to correct underfunding of the pension cheme which was charged against profits in the second half of 1977-78. The directors are taking legal advice as to any rights they may have to recover part of this payment.

Earnings per 25p share for the year are shown at 19.97p (12.36p) and the final dividend is 1.28879p making a total of 1.72879p compared with 1.54798p previously

Turnover amounted to £13.28m against £11.76m. Tax charge is £400,913 (£294,221) and there is also £14,227 (£3,657) tax overprovided in previous years.

Alex Howden improves to £11.5m halfway

TS BEFORE tax of the der Howden Group, in- e broker and underwriting improved from £10.35m to in the first half of 1978. last year totalled £21.36m. orecast at the time of the ights issue, the directors during an interim dividend (1.5p)—the new shares do k for the interim but will pate in subsequent divi- the directors say.

he rights issue document, rectors said they expected a total of not less than the current year, subject controls or other con- s existing after dividend is expired on July 31. The ast year was 5.59p.

	First half 1978 £000	1977 £000
profit	10.135	11.002
tion	1 019	311
charge	7?4	17?
e profits	147	26
efore tax	11,499	10.346
	5,047	4 442
s	79	41
able	6,373	5,862
dividend	1 ?09	1.073

See Lex

goodwill written off £77,000 (nil); in addition the figures for 1976 include £77,000 surplus arising on the sale of the company's holding of shares in Henlys.

The balance-sheet at June 30 compared with December 31, 1976, shows group net current assets of £9.39m (£7.81m) with bank overdrafts appearing at £3.69m (£0.23m).

Whatman Reeve decline

WHILE SALES rose from £4.68m to £5.38m in the first half of 1978 at Whatman Reeve Angel, taxable profit dipped from £719,000 to £652,000.

Earlier this year Mr. A. R. Smithers, chairman of the laboratory supplies group, warned that profit margins would be affected this year following the increased investment in fixed capital and distribution. This investment was, however, essential to the group in the longer term, he said.

After tax of £315,000 (£346,000), net profit came out at £337,000 against £372,000 last time.

The interim dividend is raised from 2.238p net per 25p share to 2.71p and directors intend recommending an unchanged 1.814p final to make the maximum permitted increase.

Brown Bros. advances to £2.64m

THE six months to June 30, profits, before tax, of Brown Brothers Corporation reached taking the total for the months ended on that date up .64m compared with £1.98m previous 12 months.

Management accounts indicate group trading in the first of the current year is of the comparable period 77. These trends should ue, the directors state.

The attributable level profits is motor accessory group is 69.4 per cent owned by ana Corporation emerge at against £1.75m for the us year. Earnings per 10p are stated at 9.3p against

dividend is the maximum itted—increasing from 0.95p 2p with a final of 0.62p.

	15 months 1977-78 £000	Year 1976 £000
er	106,202	58,683
profit	4,954	2,414
ding profits	324	127
before interest	5,298	2,541
	649	561
before tax	4,639	1,980
	371	220
rofit	4,265	1,754
	—	—
table	4,265	1,752
ry dividends	742	476
d	3,523	1,316

accounts have been drawn accordance with ED19 and aratives restated. The effect dopting these proposals is educe the tax charge by 1,000 (£738,000).

n-trading profits less losses rise profits on sales of rties £411,000 (£50,000) less

Expansion for Wm. Morrison

FROM TURNOVER 25 per cent higher at £50.47m pre-tax profit of Wm. Morrison Supermarkets climbed 21 per cent from £1.25m to £1.52m in the half year to July 29, 1978.

Interest charges in the period were cut from £198,021 to £90,477, while rents receivable increased £28,063 to £113,392.

No depreciation of freehold or long leasehold land and buildings has been provided, and Mr. K. D. Morrison, the chairman, says directors believe the market value of these assets substantially exceeds the book value, which is at cost. Also, as the reliefs owing to stock appreciation and first year allowances at year end are impossible to calculate at this stage, no tax provision has been made.

The interim dividend is up from an adjusted 0.323p to 0.35p. Last year a total of 0.75167p was paid on record profits of £3m. Three directors have waived rights to interim payments totalling £24,120.

Mr. Morrison says the acquisition of Whelans Discount Stores in April has opened new opportunities and steps are currently being taken to improve the performance. The Preston store is closed to allow extensive refurbishment and will reopen in November, and the St. Helens store is being extended. Considerable expenditure is being incurred in bringing these units up to group standards.

The LifeStyle warehouse was completed on schedule, is now fully operational and will bring immediate benefits in increased efficiency. Extensions are being built at the moment to its central grocery warehouse and produce depot to cope with increased demand. The fresh food factory is at the final design stage and the group will shortly be inviting tenders for its construction.

Work is proceeding on its new Harrogate store, planning permissions are being sought for major stores in Darlington, Sheffield and Wakefield and a number of other sites are at various stages of negotiation, he says.

Galliford Brindley picks up

A BETTER than expected second-half profit ahead from £1.17m to £1.49m has left taxable profit at Galliford Brindley £168,263 higher at a peak £2.51m in year ended June 30, 1978.

At half time, after a slip from £1.18m to £1.03m, Mr. Peter Galliford, the chairman, said that while the result for the year was expected to be a sound one, a figure below the 1976-77 record was anticipated.

He now says the profit increase came despite bad weather. Now demand for construction has stopped falling some confidence has returned to the industry and although the level of demand is well below that of the early 1970s, order books, taken as a whole, are better than those of a year ago, he says.

The profit is after depreciation of £510,836 (£508,627). Tax takes £606,852 (£1.23m), leaving net profit at £1.91m (£1.11m). The result excludes the recently acquired S. C. Brown and Co.

The final dividend of 2.667p net per 5p share takes the total from 3.059p to 3.417p.

Mr Galliford says group shareholders' funds have increased from £3.32m to £5.45m after the elimination of £1.05m of goodwill. Funds have been boosted by retained earnings, unrequired deferred tax and a revaluation of freehold land and buildings.

Galliford's interests include building and development, civil engineering, heating and ventilating, engineering and plant hire.

Wimpey down by £3m midterm

A FIRST-HALF 1978 profit slowdown of £1m to £14.5m at the pre-tax level by George Wimpey and Co. took the City by surprise yesterday. The market had been expecting an increase of some £3.5m for six months.

Operating surplus, including the group's share of associate's results, slipped £0.5m to £18.5m but, because of further expansion in North America and in property interests in the UK and overseas, interest costs soared from £1.5m to £4m.

Mr. R. B. Smith, chairman of the building, civil, mechanical and electrical engineering contractor, says the effects of the recession in the UK construction markets, which started some two years ago, are now being shown in the figures to be reported this year. As always in the industry, results of a single short period are of limited significance, and the profit in the second half should be substantially higher than in the first six months. For 1977 profit was a record £51.4m and at the annual meeting in May Mr. Smith said he was confident that the company would have another good year in 1978.

The value of work carried out during the half year increased by 20 per cent to £406m, compared with £338m. The greater part of the increase related to the UK, where sales of private houses were at a very satisfactory level and construction volumes were higher. Overseas the rate of expansion slowed reflecting increased competitive pressures in certain areas, but was nevertheless encouraging, Mr. Smith adds.

Tax for the half year took £7.3m (£8.8m) leaving the net balance at £7.2m (£8.7m). After minority profit of £0.1m (£0.3m) the attributable surplus emerged at £7.1m (£8.4m).

See Lex

UK side boosts Berger

REFLECTING greater efficiency in its UK operations pre-tax profit of Berger, Jenson and Nicholson jumped from £2.78m to £4.12m in thte first half of 1978. Turnover of the paintmaker — a subsidiary of Hoechst of West Germany — rose from £94.76m to £105.73m.

Directors say the profit increase took place in a strongly competitive trading environment. Australian operations, while successful, are experiencing poor market conditions and as a result profitability is suffering.

Generally, trading in other parts of the world has been good. However, economic conditions in some areas are causing concern.

Associate contributions for the half year were down from £1.29m to £1.11m and after parent and subsidiary companies tax of £1.42m (£686,000), associates tax of £574,000 (£575,000), and minority interests of £300,000 (£215,000) attributable profit came out at £1.83m compared with £1.27m last time.

For all last year profit was a record £7.78m.

Downs Surgical well up in first six months

FOR THE half-year ended June 30, 1978, sales of Downs Surgical increased from £6.01m to £7.18m and pre-tax profits rose sharply to £704,000 compared with £428,000 in the same period last year.

The current trading period is for 15 months to March 31 next year—a first interim dividend of 0.8p (0.7p) is now declared and directors propose to pay a second interim of the same amount in May, 1979, and will announce a final next August.

It is anticipated that there will be a satisfactory increase in the equivalent annual rate over last year's total of 2.325p, the directors state. Pre-tax profit in 1977 totalled £877,000.

Tax charge in the first six months is £211,000 (£135,000) giving earnings per share of 3.3p against 1.96p.

The directors say current objectives include further improvements in internal efficiency and the strengthening of management, particularly in production areas. The performance of the group has improved substantially during the first half and they are confident the improvement will continue.

	Half-year 1978 £000	1977 £000
Sales	7,175	6 013
Operating profit	764	547
Net interest payable	60	119
Profit before tax	704	428
Tax	211	135
Net profit	493	293
*Extraordinary credit	40	—
Dividends	119	105
Retained	414	188

* Profit arising on disposal of shares in Surgical Distributors, Ireland, of £56,000 less company's share of earnings previously consolidated totalling £16,000.

F. H. Tomkins looks for increase

Mr. Gerald Garman, chairman of F. H. Tomkins, told the annual meeting that he would be disappointed if the first half results were not better than the corresponding period last year.

Referring to the closing down by GKN of its one specialist stainless bolt and nut operation in the UK, Mr. Garman said the operation was an area in which Tomkins was active. "We have been adjusting our plans to the factors to which GKN refer and we shall use every effort to take up any profitable opportunity presented by the gap."

As regards the dividend, he said last minute legislation prevented the directors from paying that originally announced but it was their intention to make good the shortfall in the interim dividend.

Hunt and Moscrop up to £1.48m

After advancing from £585,000 to £690,000 at half-time taxable profit of Hunt and Moscrop (Middleton) ended the June 30, 1978 year ahead from £1,330,292 to £1,481,046. Turnover was £16.36m against £12.33m previously.

After UK tax of £786,79? (£669,044), overseas tax of £40,616 (£52,031) and £44,657 for UK prior year adjustments, net profit came out at £608,931 (£609,217).

There was a £?3,275 exchange loss, a £109,069 (£76,693) goodwill adjustment and a £21,082 loss (£25,697 profits) on prior year adjustments. Last time there was a £3,120 deficit on subsidiary capitalisation costs.

The proposed final dividend of ?.4?81?p net per 5p share takes the total to 0.78276p compared with 0.7009811p last time. Dividends absorb £183,442 (£158,003).

A scrip issue of one deferred ordinary share for each four ordinary shares is proposed, along with an increase in authorised capital to £2m. The deferred shares will have all the rights of existing ordinary shares except they will not rank for dividends for a period of 10 years.

FITCH LOVELL

The annual meeting of Fitch Lovell was told that the manufacturing and poultry divisions had made a good start in the current year.

On the retail side, in spite of trading problems, the Board was continuing to invest substantially in new outlets.

BANK RETURN

—	Wednesday Sept. 27 1978	Inc. (+) or Dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	56,824,007	+ 3,441,430
Special Deposits	1,062,735,000	+ 422,140,000
Bankers	473,029,229	+ 104,349,886
Reserves & Other Accts.	634,088,612	— 64,151,999
	2,240,091,448	+ 465,779,324
ASSETS		
Govt. Securities	1,839,376,062	+ 469,045,000
Advances & Other Accts.	213,321,567	+ 2,604,289
Premises, Equipt. & other Secs.	168,127,538	+ 741,831
Notes	19,010,589	— 6,604,006
Coin	195,366	— 7,784
	2,240,091,448	+ 465,779,324
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes issued	8,600,000,000	—
In Circulation	8,480,989,411	+ 6,604,006
In Bank'g Dept	19,010,589	— 6,604,006
ASSETS		
Govt. Debts	11,015,100	—
Other Govt. Secs	7,440,131,698	— 119,221,811
Other Securities	1,088,853,202	+ 119,221,811
	8,600,000,000	—

RMC £2m ahead so far despite bad weather

AFTER LOWER interest charges of £1.53m against £2.22m last time, taxable profit of Ready Mixed Concrete increased from £12.02m to £14.15m in the first six months of 1978. Turnover pushed ahead from £265.15m to £293.78m.

Mr. J. Camden, the chairman, says although weather conditions in the early part of the year in the UK and Europe adversely affected operations, the general level of activity was very much in line with the same period last year. Further progress is expected in the remainder of the year.

Of the pre-interest profit of £15.68m (£14.24m), the UK side contributed £9.97m (£8.94m), German operations £2.6m (£2.3m) and other countries profits were £2.67m (£2.49m).

Property disposals added £201,000 (£93,000), while associate income fell from £419,000 to £238,000. Depreciation of £11.18m (£9.43m) was charged in the period.

After tax of £7.29m against £6.14m and minority interests of £1.21m (0.92m) attributable profit came out at £5.65m compared with £4.96m previously. Earnings per 25p share are shown at 7.7p (7.8p) and fully diluted at 7.6p (7p).

The interim dividend is stepped up from 2.5p to 2.79p and absorbs £1.06m (£1.6m). Last time a 5.77p final was paid on profits totalling £28.32m.

● comment

Ready Mixed Concrete's first-half performance is satisfactory in several respects: UK margins are above the year-ago despite the poor weather and the termination of the restrictive trading agreements in 1977, German housing starts are promising, and the higher depreciation charge suggests spending on new plant has been getting underway. The interest charge may be expected to edge up again but only slightly and the group's balance sheet is strong following the sharp reduction in debt last year. The full year should give a profit figure of around £33m to £34m pre-tax, a basic 17p per share after higher minorities but the outlook for the UK building material industry in 1979 is highly uncertain. At 141p the shares yield a prospective 6.8 per cent on a p/e of around 8.1, fully taxed.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Anchor Chemical, Blockleys, Cakebread Robey, Charles Early and Marriott (Witney), Hambro Life Assurance, Charles Hurst, Lyle Shipping, Maple, Midland News Association, F. Miller (Textiles), James Neill, North British Canadian Investment, Royco, Silvermines.

Finals—Bolton Textile Mill, A. and J. Mucklow, Strong and Fisher, Wankie Colliery.

FUTURE DATES

Interims:—

Adda International	Oct. 16
BSG International	Oct. 16
Empire Stores (Bradford)	Oct. 11
Finlay Packaging	Oct. 4
Grattan Warehouses	Oct. 10
Marshall's Universal	Oct. 13
Metal Box	Nov. 21
Sanderson Kayser	Oct. 4
Smurfit (Jefferson)	Oct. 2
Spong	Oct. 6
Wills (George)	Oct. 5

Finals:—

Eleco	Oct. 19
Halstead (James)	Oct. 10
Park Place Investment	Oct. 3
Sanderson Murray and Elder	Oct. 5

FII hit by low deliveries

MAINLY REFLECTING a shortfall on footwear merchanting operations owing to exceptionally low deliveries from suppliers, second half profits of Footwear Industry Investments declined from £370,000 to £212,000 and left the total for the year ended May 31, 1978 down from £822,969 to £632,615.

However, reduced tax resulting from the adoption of ED 19 more than offset this pre-tax reduction and earnings come out higher at £417,590 compared with £386,337—equal to 10.3p (9.5p) per share.

The effect of this change in policy is to reduce the tax charge by £122,702 an to raise earnings by 3p.

Mr. M. Sumray, chairman, reports that turnover (ahead from £9.35m to £10.23m for the year) was disappointing in the final quarter but sales since May 31 have been running at a higher rate than a year ago.

The dividend is being raised by the permitted maximum from 3.87424p to 4.38862p, with a final of 2.98862p. As in previous years the chairman and his wife are waiving all the cash entitlement—amounting to £52,137 (£46,027)—on their 1.2m shares.

The chairman says that liquidity remains strong. Net assets now stand at £2.58m, equal to 63.8p per share.

	1977-78 £	1976-77 £
Turnover	10,216,588	9,248,093
Profit before tax	632,615	822,969
Taxation	215,025	436,632
Net profit	417,590	386,337
Dividend	125,648	110,920
Retained	291,942	275,417

Owen Owen tops £½m at midway

AN IMPROVED first half foreshadowed for Owen Owen, the department store group, at the AGM and in the event it has achieved a turnround from a loss of £581,000 to a profit of £208,000 for the 26 weeks ended July 30, 1978.

Mr. John Norman, chairman, says that the second half should produce the traditionally more satisfactory results which in 1977-78 led to a total pre-tax profit of £2.3m.

He reports that UK stores sales increased by nearly 20 per cent in the first half representing a material volume rise and profits benefited accordingly.

The results in Canada were disappointing with an increased loss attributable to the inclusion of the spring half of the Niagara Falls store which opened in August 1977. Sales in the five established stores were 8 per cent ahead in dollar terms, giving a marginal reduction in their trading loss for the six months. A seventh store was opened in August.

The chairman feels that UK results should be satisfactory in the second half given a continuance of factors which led to increased consumer spending while in Canada indications are that the economy will continue to be difficult.

The interim dividend is increased from 0.62p to 0.72p—the total for 1977-78 was 2.86p.

Second half slip for HTV Group

ALTHOUGH second-half profits declined from £1.71m to £1.47m, taxable profits of HTV Group for the July 31, 1978, year advanced from £2.9m to £3.2m after the Exchequer Levy of £3.72m against £2.82m previously.

Turnover for the year was ahead from £20.35m to £29.68m, and after tax of £1.77m (£1.58m) net profit was £1.44m (£1.32m). Earnings per share are shown as 13.96p against 12.83p last time.

For the year the fine art division's profit fell from £316,161 to £218,523, pointing to a small loss in the second half. At midway this division was ahead from £196,251 to £242,474.

The television profit was £2.26m (£1.94m) and the property and leasing contribution was ahead from £234,972 to £333,849. The publishing and stationery section profit was £42,187. Profits of the diary firm T. J. and J. Smith and the publisher Frederick Muller have been included since their acquisition dates—September 15, 1977, and April 14, 1978, respectively.

Lord Harlech, the chairman, points out that the diary trade of Smith is of a seasonal nature and results have been affected by the elimination from results of the profitable pre-acquisition period from August 1 to September 14, and by changes in accounting policies to conform with those of HTV.

He says the profit of Smith for the year ended December 31, 1977, based on the accounting policies of the group, was £238,000. On a similar basis there is every reason to expect Smith will do at least as well in the current financial year.

The final dividend of 6p leaves the total for the year down from 10p to 9p net per 25p share.

A revaluation of freehold and certain leasehold properties in the year resulted in a £471,395 surplus and this, less a provision for deferred corporation tax of £118,017, has been credited to the non-distributable reserve. Technical equipment used in the television division was valued at August 1, 1977, and the £582,714 surplus, less a tax provision of £303,012, was also credited to non-distributable reserves. Provision has been made against profit for additional depreciation of £239,561 related to prior years.

Assocd. Book ahead 8% to £1.2m in first half

FOR THE first half of 1978, profits before tax of Associated Book Publishers, at £1.19m, are 8 per cent ahead of the £1.1m earned in the first six months of last year. Sales are 13 per cent up at £12.99m.

In contrast to the past two years when a disproportionate art of the annual earnings increase was in the first half, this year's increase is expected to be more evenly spread between the two periods. Given no unexpected difficulties, the board expects a satisfactory advance in profitability for the year.

Earnings per share for the first half are given as 12.9p against 11.3p and the interim dividend is stepped up from 1.5p to 1.9p. Following the reduction in ACT, a third interim dividend payable with this year's interim of 0.0388p is also declared in respect of 1977.

The dividend total last year was 4.018p from pre-tax profits of £2.61m.

Comparison of earnings is again distorted by changes in the value of sterling against the currencies of the overseas companies, adversely affecting this year's result by £32,000 and reducing the increase in pre-tax profits from 11 per cent.

Sales were 30 per cent higher in the UK while in the overseas companies an 11 per cent improvement was, in sterling terms, only 1¼ per cent higher.

In the UK an improved performance in legal and other specialist publishing contributed a pre-tax profit 38 per cent ahead of 1977. In Canada, where the continuing economic recession made trading conditions difficult, pre-tax profits were 21 per cent lower.

In Australia an 8 per cent increase in normal trading profit was offset by non-recurring expenses from organisational changes.

A larger UK publishing programme this autumn is expected to assist in maintaining the rate of advance, the directors say. In Canada, a more active second half-year is expected to lead to retrieval of the interim decline, —the incidence of non-recurring costs in Australia is expected to absorb any advances in normal trading profit.

James Finlay falls £1.8m at interim stage

WITH TURNOVER down from £39.35m to £37.65m, pre-tax profit of James Finlay and Co., overseas trader, financier and tea grower, fell from £6.85m to £5.03m in the six months to June 30, 1978.

In July, Sir Colin Campbell, the chairman, warned that although non-tea interests should achieve further growth in the year, this would be unlikely to compensate fully for the likely profit reduction from plantation interests. Results of the Indian and Bangladesh plantation subsidiaries and associates have again been excluded from the half-time figures.

Associate contributions of £284,000 (£194,000) are included in results. Tax takes £2.41m (£3.4m) and after minority interests and preference dividends totalling £28,000 (£30,000), attributable earnings are shown at £2.59m (£3.42m) or 8.3p (10.9p) per 25p share.

As indicated in the group's offer documents for Seaforth Maritime, a third interim dividend of 2.5p net is to be paid. Dividends totalling 2.3326p have already been paid, and last year an adjusted total of 2.18366p was paid on record profits of £15.59m.

● comment

Tea prices marched James Finlay to a profit peak in 1977 and a drop in prices is marching them back down again in 1978. The average price of plain tea hit a two year low at the end of July after sliding for most of the period. Since then there have been some signs of a firming of the price due to the fact that the Indian crop is well down, and thereby reducing potential supply. But this is only likely to reduce the Finlay profit drop rather than overcome it. A further plus for the second half is the inclusion, for the first time, of the recently acquired marine services subsidiary, Seaforth Maritime. This is forecast to earn at least £790,000 in 1978 although part of this will be treated as pre-acquisition profits. The forecast dividend increase has received Treasury approval and the share price moved up 3p to 106p yesterday to give a yield of 7.3 per cent.

Heron Corporation ahead 22% to record £6.5m

A 22 per cent increase in taxable profit from £5.32m to £6.52m is reported by Heron Corporation for the March 31, 1978 year. Turnover of the group was £263.32m compared with £232.41m previously.

A current cost statement shows the result reduced to £3.17m (£3.89m) after additional depreciation of £0.42m (£0.26m) and cost of sales of £3.11m (£3.95m), offset by a £2.18m (£2.77m) gearing adjustment.

Mr. Gerald M. Ronson, chief executive says the trading divisions which for some time have constituted the group's main activities produced excellent results.

On Petrol Retailing, he says 22 new service stations were opened during the year, with 179 stations being operated at the year end. Heron Easygas, the group's liquid petroleum gas subsidiary, completed the construction of its new filling plant and headquarters at Newbury.

With Motor Vehicle Distribution and Retailing, Heron Motor Group, the publicly quoted arm, had a good year with the trading profit of £3.1m 51 per cent higher. Also, the disposal of the investment in Henlys resulted in a pre-tax surplus of £2.2m.

The high level of motor vehicle purchasing and leasing by the business community in the UK had an excellent influence on the profitability of major retail branches and particularly upon the fleets division.

Heron Motor Group is now seeking to establish close links with two leading finance houses which will result in increased participation in vehicle leasing.

British Leyland corporate parts wholesale appointments were gained in nine locations, and this will result in considerably increased profitability, he says.

The Motorcycle Distribution activities had another good year, despite the further strengthening of the yen against sterling. The new range of Suzuki GS motorcycles sold well, and the division is co-operating closely with Suzuki Japan regarding possible further expansion in this range to meet existing and expected demand. The division's transport company, Baileys of Westbury, enjoyed satisfactory trading.

For the second year in succession Heron Homesteads built and sold more than 1,000 new homes. Profit margins were restored to a more satisfactory level during the year and further sites in prime locations were purchased for future development.

The Consumer Products Division traded profitably during the year. The watch company, Ingersoll, completely reorganised its sales force and forecasts satisfactory results for the current year. Butlers of Sheffield, manufacturer of fine cutlery, continued to improve its results, and trading in the future is expected to be enhanced by additional capital expenditure.

The Commercial Property Division developed in excess of 200,000 square feet in Cardiff, Glasgow and Bournemouth. The development in Glasgow is fully pre-let.

Mr. Ronson says Heron Corporation is leader of a consortium which includes four of Britain's leading retail chains in the development of a £22m shopping complex in Cardiff. Construction has started and the scheme is due for completion at the end of 1980. Finance is being provided by one of the leading pension funds.

In France arrangements were concluded for the £40m development of the Figaro site at the Rond Point des Champs Elysées in Paris in partnership with Keyser Ullmann Limited and L'Union des Assurances de Paris.

Mr. Ronson says that net assets of the group increased 42 per cent in the year to £80.5m, and liquidity was maintained with cash balances of £16.7m at year-end.

During the year Heron acquired National Insurance and Guarantee Corporation which had a premium income for the year ended December 31, 1977, of some £20m.

The group also concluded arrangements with a syndicate comprising the four main clearing bank groups for an eight-year £17m loan. Of this, £6.5m was drawn during the year, the balance to be drawn during the current year.

PALMERSTON INVESTMENT TRUST—Results for year to March 31, 1978, already reported. Group fixed assets £1.96m (£1.92m). Current assets £39,759 (£27,857) and liabilities £777,364 (£796,667). Gerson Berger Association holds 35.8 per cent of capital. Meeting, Winchester House, EC, October 26 at noon.

SECOND CITY PROPERTIES—Results to April 30, 1978, reported September 15. Fixed assets £0.7m (£0.67m), investment properties £4.35m (£4.31m), net current assets £3.21m (£4.75m). Meetings, Birmingham, November 3, at 11 am.

GLANFIELD SECURITIES (now a subsidiary of Legal and General Assurance Society)—Results for year to March 31, 1978, already reported. Fixed assets £5.97m (£5.33m) including investments £4.09m (£3.49m). Net current liabilities £279,843 (£353,407). Company is close.

BIDS AND DEALS

Thorn sells 16% stake in Wilkins & Mitchell

BY ANDREW TAYLOR

Thorn Electrical Industries has sold its 16 per cent stake in Wilkins and Mitchell the washing machine and domestic appliance manufacturer which Thorn originally hoped might provide a springboard for an outright bid.

The 1m shares have been placed with a number of institutions at 42½p a share, raising almost £438,000. This compares with the £930,000 the group paid to acquire the stake five years ago.

At that time Thorn was seeking to acquire manufacturing facilities to support its growing washing machine import and distribution business, which it had built up following the acquisition of Parkinson Cowan in the early 1970s.

Mr. Harold Mourgue, Thorn finance director, said that Wilkins and Mitchell had been considered as a potential candidate but after long investigation it had been decided that it would not be possible to rationalise Wilkins' product range with Thorn's Bendix machines.

The Bendix machines, incorporating in part Thorn designs, are imported, largely from Italy and redistributed in the UK. The group estimates that it has doubled its market share since the early 1970s although this is still a long way behind the brand leaders Hoover and Hotpoint—which possibly control around two-thirds of the UK market.

While Thorn is pleased with its progress at the distribution end of the washing machine market, it says that life has been less easy for manufacturers which operate in a highly competitive market bedevilled by thin margins. A situation that Thorn admits has not been helped by low priced foreign imports.

The problems are reflected in Wilkins' recent profit performance. From pre-tax profits of £1.5m in 1974 the group slid to a £1.6m loss in 1976 followed by a £½m loss in the year to March 1977. Last year, however, the group moved back into the black with a small £64,000 profit.

Mr. Mourgue said that Wilkins' profits were now on a recovery tack so it was not as though Thorn was leaving the company in the lurch. He said that in cash terms the group had lost around £½m on the deal—although this does not allow for the effect of inflation.

Mr. Mourgue, however, said that the Wilkins shares had been written down in the Thorn books to around 25p a share. He said that Thorn had not scrapped its plans to develop washing machine manufacturing facilities despite the current lack of incentive to manufacturers resulting from low margins.

He said it has always been Thorn policy to establish a good market share before building manufacturing capacity and "there is no reason for us to alter this policy."

WOOD ST. MILL ACCEPTS OFFER FROM RADWISE

Radwise, a UK holding company controlled by non-residents, has made an agreed bid worth £172,000 for Wood Street Mill Company, yarn spinners and cloth manufacturer of Bury.

The offer is 16½p cash per share, and the directors of Wood Street and certain principal shareholders have entered into irrevocable undertakings to accept the offer in respect of 48.45 per cent of the equity. They recommend other shareholders to accept and to ignore the previous bids made by Era Ring Mill and Seniorlink.

On the offer becoming unconditional, Clough Mill of Oldham will provide advice and management services to Wood Street Mill and Mr. Herbert Entwhistle, a director of Clough Mill, will be invited to join the Board of Wood Street Mill.

Stag buying part of old Bond Worth

Another slice of the former Bond Worth carpet manufacturing group, which went into Receivership more than a year ago, is to be sold. Stag Furniture has agreed to pay a total of £1¼m for the Meredew Furniture concern.

Meredew Furniture was formed to take over the business of D. Meredew, a subsidiary of Bond Worth, when both companies went into Receivership in August last year.

The agreement calls for debts owed by Meredew Furniture to D. Meredew to be cancelled while Stag will also acquire the Letchworth properties where the furniture business is based.

Mr. P. V. Radford, chairman of Stag, said that the acquisition would reinforce Stag's position as a major manufacturer of quality domestic furniture. He said that the enlarged group would be aiming for at least £30m turnover in 1979.

In the 46 weeks to June 30, 1978 Meredew earned pre-tax profits of £432,930 but this included £277,680 temporary employment subsidy and an extraordinary credit of £40,000. Sales over the same period amounted to £6.3m.

Stag, which has been advised by Keyser Ullmann and intends to finance the acquisition out of existing bank facilities, said that net tangible assets of the Meredew business were approximately £1.97m.

The cash is to be paid to the receiver of D. Meredew.

Kwik Save £3.75m acquisition attracts strong criticism

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

The Kwik Save Discount group has bought the privately-owned Cee N Cee supermarkets chain for some £3.75m cash.

The move enables Kwik Save, one of the more aggressive limited range discount stores, to broaden its base in the Midlands. But last night the move was strongly criticised by Lord Allen, general secretary of the Union of Shop Distributive and Allied Workers and chairman of the powerful TUC economic committee.

Lord Allen condemned the manner of the takeover and said it typified the fact that workers could "wake up one morning and find they were owned by a new firm." Kwik Save, however, last night said it was astonished at Lord Allen's criticisms since its takeover had guaranteed the company's future.

Cee N Cee supermarkets operate 49 retail supermarkets in Cheshire, Lancashire and the Potteries. The book value of its net assets are approximately £1m. The net profit for the 53 weeks ended 7 January 1978 was £502,000.

The unaudited accounts to 30 June 1978 show net assets of £1.9m after allowing for deferred taxation of £1.25m and having incorporated a property revaluation.

Kwik Save, which has some 157 stores in Wales, the North, and West country, was anxious to extend its type of retail operation into the Midlands where Cee N Cee had a strong position. Kwik Save stores only stock a limited range of basic grocery items which it turns over quickly at low prices. Fine Fare also operates a similar stores network nationwide called Shoppers Paradise.

Cee N Cee, a family owned company, was prepared to sell to Kwik Save because of the fierce pressures on margins facing small retailing chains from the High Street price war and also to preserve employment. Kwik Save intends eventually to integrate the stores into its traditional pattern of discounting.

GLANFIELD SECS.

Legal and General's solvency margin is expected to increase by around 6 per cent as a result of the acquisition of Glanfield Securities, according to the offer document sent to Glanfield shareholders yesterday.

The purchase would increase L and G's short-term assets by about £9m, including freehold and leasehold properties valued at £4m. L and G intends to retain Glanfield's holding of about 1 per cent in UDS Group.

EC HOLDINGS

In a bid to tidy up its stake in EC (Holdings), the investment concern with North Sea oil equipment interests, the Thomson Organisation is having talks with the company with the view to a possible bid for the remaining 49.2 per cent of the shares that it does not already own.

MOWAT BOARD DISPOSAL

The directors of Wm Mowat and Sons have agreed to sell to Jenth the 616,670 shares in their company, amounting to 61.67 per cent of its capital, which they own or control, for 22.5p a share in cash.

Jenth must under City Takeover rules offer the same amount for all other shares in Mowat, but it has said it intends to maintain Mowat's listing by placing any shares that are offered to it by minority holders.

The shares rose 1p yesterday to 41p and have now come up 14p since the Mowat directors first announced they had been approached by a bidder.

BTR moves into Australian carpets

The fast growing BTR rubber, plastics and engineering group, which last month made a £24.1m cash call on its shareholders, is back on the takeover trail with a £2.2m bid to acquire 52 per cent of Kencord Holdings, an Australian carpets group.

BTR has already paid some £850,000 to acquire a 20 per cent foothold in the company and now plans to take this up to a majority holding. The bid which values Kencord at £4.2m has the backing of the Australian Foreign Investment Review Board.

The deal clearly meets Australian government guidelines on strong local holdings in companies which also have extensive foreign interests.

Kencord which manufactures automotive moulded carpets, trim and commercial carpets, earned operating profits of A$1.7m (£1m) on a turnover of A$15.6m (£9.1m). BTR said that Kencord would complement the group's existing operations in the UK and Switzerland.

Last month BTR announced a one-for-seven rights issue to raise £24.1m. The group said that £9m of this was to be used to repay U.S. borrowings and the remainder for expansion. This was the third cash call the group has made on its shareholders in as many years.

UDT selling German offshoot

United Dominions Trust, the independent finance house that is still a major beneficiary of the "lifeboat" launched by the Bank of England in the secondary banking crisis, announced plans yesterday to sell its German subsidiary Einkauskreditbank (EKB) to the ABC Bank of Cologne for some £4.8m, payable in D-marks.

The sale is intended to improve UDT's accounts by releasing it from guarantees in respect of EKB's depositors which at June 30 amounted to £16.7m. It should also help UDT International repay a borrowing of SFr 33.2m which falls due in January 1979.

EKB is an instalment credit bank with a balance sheet total of DM99m: Bundesbank regulations require that UDT itself should guarantee deposits made with EKB even though EKB's immediate parent is the intermediate company, UDT Europe. The extent of EKB's deposit-taking business, particularly as it is denominated in D marks, has become a serious funding responsibility for UDT.

UDT International's Swiss franc borrowing—an issue of 8 per cent notes made in 1974—is charged as a liability of £10.2m in UDT's most recent consolidated balance sheet, but the strength of the Swiss franc since then makes the present liability rather more than £11.5m, excluding the final interest payment.

The £4.8m that will be paid for EKB, subject to official approval, includes special profit distributions and, after local taxes and disposal costs, should produce a small surplus over EKB's book value. EKB's interests in other German finance houses and insurance companies are included in the price.

ABC Bank, with a balance sheet total of around DM350m, is involved in industrial lending as well as instalment credit. In the year to June 30, 1978, EKB provided pre-tax profits of £0.98m for the UDT group.

The operation will leave UDT with no interests in Germany. It says it has no plans at present for disposing of any other foreign subsidiaries.

BELHAVEN BRY.

Two Scottish hotels have been acquired by the Belhaven Brewery Group in deals worth £206,000.

Belhaven is to issue 500,000 of its shares — representing a 4.8 per cent stake — to cover the cost of the deals. It is acquiring the Crosskeys Hotel, Peebles, for £121,000 and the Royal Hotel, Edinburgh, for £85,000.

RIGHTWISE

Today is the first day on which dealings will take place in Rightwise, the new plantations company formed out of a merger between Rightwise, Deundi Holdings, Gadek Indonesia and Arbour Court Investments. The shares are expected to open at between 85p and 110p.

CORNERCROFT

Armstrong Equipment's offer for Coventry engineering group Cornercroft has been accepted in respect of 89.3 per cent of the eligible ordinary shares and more than 80 per cent of the preference capital.

Both offers will close at 3 pm on October 12 unless acceptances have been received for 90 per cent of the total.

SHARE STAKES

Ruberoid—Britannic Assurance has purchased a further 75,000 ordinary shares to make total holding at September 19 at 1.15m ordinary shares (11.09 per cent).

T. Clarke and Co.—Mr. J. T. Saxton, director, sold 65,000 ordinary shares at 23.75p.

McKechnie Brothers—Prudential Assurance has acquired further shares, making a total interest of 2,165,816 shares (5.07 per cent).

Telefusion—Mr. J. N. Wilkinson, director, purchased 25,000 ordinary shares at 39p and 50,000 "A" ordinary shares at 38p on September 25.

Moorgate and Mercantile Holdings—Wilson Bros. has disposed of 100,000 ordinary shares at 13½p; still hold more than 5 per cent of the shares.

Dufay Bitumastic—Mr. C. Attwood, director, has bought 25,000 ordinary shares.

S. and W. Beresford—Mr. A. J. Hodgson, director, has acquired 624 5 per cent cumulative preference shares bringing total holding of that class to 3,751 shares (5.001 per cent).

ALEXANDERS HLDGS.

Alexanders Holdings has sold two properties surplus to requirements.

The premises at Northampton have been sold at a price well over book value and a contract has been entered into for the sale of premises in Edinburgh at a price also well above book value.

A recent revaluation of certain of the group properties showed a surplus of £1.3m on previous values.

ASSOCIATES DEALS

Hill Samuel has sold 150,750 Courtaulds at an average price of 117.995p on behalf of discretionary investment clients.

Laurence Prust has sold 50,000 Compton Sons and Webb ordinary shares at 67p, 20,000 at 67p and 5,000 at 66p. All on behalf of discretionary investment clients.

J. LYONS

A circular has been posted to holders of J. Lyons and Company 7¾ per cent convertible unsecured loan stock 1981 proposing cancellation of the conversion rights and an increase of ¾ per cent in the rate of interest.

The directors of Lyons and financial advisers recommend the proposals.

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● ARIEL—FAIR FIGHT OR FOUL

Struggling on despite twin handicaps

BY JAMES BARTHOLOMEW

rs ago, almost to the ncial editor warned the hange in his column l, the computerised ling system, was "a m that can but grow

financial editor com- this looks like a battle in which the rules of petition will apply."

ition of Ariel, when it perational in February to obtain 5 per cent of l share-dealing within o begin with the turn- ded budget. During the nths of operation, Ariel per cent of the market. Exchange feared that d take the cream of its the big institutional

in attraction of Ariel It set a maximum com- £2,000 per bargain to completely cut out the urn. The mere threat cut-price dealing was to make the Stock reduce its commissions iel started trading.

l's early ambitions have realised. After the st of business, the turn- settled down at only 1 f institutional turnover. ber of subscribers has n from 61 after eight peration to 50 or so now, of whom are its own ers.

er the reason for mparative failure, it is he Stock Exchange beat fair fight which one of the financial editors was looking forward to. Ariel is handicapped in that it is not allowed to deal in gilts and cannot have market-makers (jobbers).

Many a broker has, in recent years, relied on gilt trading to stay in business. Moreover Ariel would have been better suited to gilt trading than to share dealing. In gilts the investor feels less of a need to know whether a lot of stock is being offloaded by a particular holder, he feels less of a need to hear his broker's view on how the market currently feels about that particular company. In short, gilts dealing is less reliant on up-to-the-minute knowledge of a broker.

Ariel cannot have market-makers because they could not be profitable unless, like Stock Exchange jobbers, they were exempt from the normal 2 per cent stamp duty. Ariel has long tried to obtain that exemption but without success—negotiations are continuing with the authorities.

Market makers would go some way to solving a basic drawback of Ariel as it stands. An investor who definitely wants to sell straightaway cannot be sure of finding a buyer. An offer to deal could remain unanswered on Ariel for days on end.

Of course, Ariel suffers from inbuilt disadvantages as well as those imposed from outside. For example, every dealer in an institution can have a telephone on his desk and merely has to be able to talk to make an order. But if he wants to deal through Ariel he has to get up, walk over to the terminal and try to communicate with a computer.

What is its future? Probably the quiet backwater existence will continue, assuming conditions are unchanged. If either of its handicaps were removed (the Bank of England has not even allowed an experimental period of gilt trading) then it could be a different matter altogether.

But the chances of this look pretty remote. The departure of Ariel's managing director, Mr. Colin Leach, announced this week would be unlikely to take place before a breakthrough. He reportedly complained right at outset that he was struggling against "the most savage opposition the City has seen for years." Ariel has always been up against the "club" element of the City led by the vested interest of the Stock Exchange.

Ariel's best hope is that one of the bodies looking at the Stock Exchange and the City, the Office of Fair Trading or the Wilson Committee and perhaps one day the EEC, will deem that its handicaps give the Stock Exchange an unfair advantage.

The Stock Exchange has in fact tried to take over Ariel from time to time. But Ariel has rightly suspected that this would be in order to arrange a funeral. Ariel may seem to be at death's door, but at least it still prevents the Exchange from being a complete monopoly. That is probably how it best serves the interest of its owners and friends, professional investors.

ING NEWS

frikander holds back anium development

UL CHEESERIGHT

NG MARKET hopes of lecision by Anglo American oration to develop the r Lease uranium mine rksdorp district of South ere dispelled yesterday was made clear that discussions with the ent would take several

der's annual report said tings have taken place Government to discuss posals for the financing lishment of the project. en the Government has ecision on the proposals, s contracts have been will the board be able "a final decision."

mediate impact of the to take 10p off the share hich closed yesterday at the spring the price was o wild gyrations linked ry estimates of the prospects.

der has reviewed a y study completed by the ast year and as a result has devised a means of g the construction nd boosting production during the commissioning period.

While this has had a beneficial effect on the anticipated rate of return, it has not been sufficient to allay Anglo American worries about the escalation of costs. It was these worries, especially those related to power charge increases, which led to the suspension last April of uranium sales talks.

But there is a further factor holding back a decision on development. This is the uncertainty of the uranium market in the 1980s. The annual report reflects the prevailing pessimism in the industry about sluggish prices at least until the middle of the decade.

"There is no way of determining at this stage exactly when prices will start to strengthen," adds the report, indicating that the Anglo group has re-appraised the market since last April, when Mr. Dennis Etheredge, the chairman of the gold and uranium division, said, "There is no problem in the market place."

Afrikander Lease stopped producing uranium in 1961 and gold operations ceased in 1964 when the old mine went on a care-and-maintenance basis. Four years ago, however, the company acquired mineral rights in the Klerksdorp area which created a more economic block of land.

RTZ LOOKS FOR GOLD IN INDONESIA

The Rio Tinto-Zinc group, through its 84 per cent owned unit, PT Rio Tinto Indonesia, is starting a new gold exploration programme in the central Kalimantan region of Indonesia.

The Department of Mining and Energy in Jakarta yesterday said that an exploration application had been approved, but would only be valid for one month. This suggests that the geologists will simply walk over the ground in a preliminary investigation.

PT Rio Tinto is administered by Conzinc Riotinto of Australia and is already active in Kalimantan. It has also been undertaking the preliminary drilling of a molybdenum deposit in north Sulawesi.

eclining ore grades at Denison

N MINES, the Canadian producer, has enough its Elliot Lake mine in to meet its existing con- which cover 199m lb of oxide. But ore grades eclining, writes John from Toronto.

gh it has been known s that Denison is sitting of the largest uranium s to be found anywhere, mpany has not been with specific details and led some analysts to its ability to deliver the

e its ability to meet exist- tracts, Denison is still ing its effort to find more

7 the mine started out e reserves of 136m tons g 2.78 lb of uranium er ton. Over the next 20 enison mined 31m tons of l delivered 84m lb of

start of this year reserves timated to be "in excess n tons, containing 264m lb um oxide. This gives an grade of 1.32 lb of oxide per ton of ore.

ear the average grade of ed was 2.07 lb, compared 7 lb in 1973.

e tonnage in all categories includes 24m tons from the former Stanrock and Can-Met properties, which are contiguous to the Denison mine.

The projected reserves were audited by Ontario Hydro's geological consultants before the electrical utility signed its contract to take delivery of 126m lb of uranium oxide between 1980 the year 2011.

Although Denison holds other properties in the Elliott Lake area, it has stated that "these have no viable reserves under currently foreseeable uranium market conditions."

ROUND-UP

New Central Witwatersrand Areas, a South African investment company in the Anglo American group, is declaring a final dividend of 17 cents (9.93p) for the 14 months to August, bringing payments for the period to 22 cents compared with 18.5 cents in the previous 12 months. Net profits for the 14 months were R395,920 (£231,410) against R295,367 in the year to June 1977.

* * *

Hunting Geology and Geophysics of Borehamwood has been awarded a contract by Irish Base Metals and Tara Prospecting for a programme of airborne spectrometer surveying as part of the search to locate uranium deposits in Ireland.

* * *

Phoenix Mining and Finance stated it had received applications for 206,104 out of 252,754 shares in Globe and Phoenix Gold Mining it offered for sale. The balance of the shares was taken up by African Lakes Corporation which now holds 14.3 per cent of Globe and Phoenix Gold Mining.

MINING BRIEFS

CONZINC RIOTINTO MALAYSIA—Sri Timah production for August, 143.43 tonnes (July 107.50 tonnes).

MOUNT ISA MINES—Production for the period August 28 to September 24: Lead ore treated 206,393 tonnes, produced 10,350 tonnes, crude lead and 17,744 tonnes zinc concentrates. Copper ore treated 417,847 tonnes produced 9,380 tonnes blister copper.

MOUNT LYELL MINING AND RAILWAY—

	12 weeks	
	20.9.78	21.9.77
Ore Treatment		
Ore milled (tonnes) ...	386,815	367,280
Average copper grade	1.306%	1.315%
Concentrate produced (tonnes)	17,895	17,532
Grade of concentrate (copper)	26.19%	26.27%
Realisable Metals in Concentrates		
Copper (tonnes)	4,553	4,443
Gold (grams)	102,571	97,042
Silver (grams)	383,525	610,780

Amalgamated Tin Mines of Nigeria—Production of concetrates for August: tin, 131 tonnes (July 133 tonnes). Columbite 36 tonnes (July 26 tonnes).

berdeen Construction .56m lower midterm

RNOVER little changed at pre-tax profit of Aberonstruction Group for the lf of 1978 dropped from to £1.21m.

result includes finance of £40,328 against £60,901 ie, and earnings per 25p ire shown at 5.75p com- with 8.26p after tax of (£857,000).

interim dividend is lifted 787p net to 2p. Last year final was paid on profits £3.95m.

tors say tendering oppor- remained satisfactory the first six months of the d appear likely to be main- in the foreseeable future.

it is unlikely that the age return on the whole urnover will be much im- as a consequence, it is ticipated that the profit will deteriorate.

is proceeding on pro- e on phase one of the development at Hill of w. The first 60,000 sq ft development will be ready upation in January, 1980. companies have indicated an interest in the offices but no leasing arrangements have, as yet, been agreed.

Advance shown by General Investors

Revenue at General Investors and Trustees for the half year to July 31, 1978 advanced from £572,199 to £723,901 before tax of £300,489, against £227,406. Gross revenue was £0.18m higher at £1.05m and expenses were up at £330,590, compared with £299,820.

Trading profit on property, which is dependent on the volume of land sales in Australia, reached £188,851 (£101,884) but this result will not be repeated in the second half the directors point out.

At the half-year net assets amounted to £31.67m, against £28.04m at January 31, for a per share value of 135.7p (132.5p). The interim dividend is raised to 1.7p (1.6p). A final of 2.4p was paid last time from record revenue of £1.22m.

Frank Gates midterm expansion

For the half-year ended June 30, 1978, profits of Frank G. Gates, main Ford dealer, rose from £578,711 to £713,885, on turnover ahead £3.08m at £13.53m.

After tax £371,220 (£300,930), net profit was up from £277,781 to £342,665, for earnings of 6.8p, against 5.5p, per 25p share.

For the year 1977, the company paid a dividend of 1.3535p from pre-tax profits of £1.04m.

J. Hewitt up at six months

In the June 30, 1978, half year taxable profit of J. Hewitt and Son (Fenton) increased £34,000 to £100,000 on turnover up from £1.12m to £1.28m.

After tax of £57,000 (£34,000) net profit came out at £43,000 against £32,000, and earnings per share are given at 2.4p (1.4p). For all last year pre-tax profit was £214,000 and a 1.56364p dividend was paid.

(اطلاع من الأصل)

AMERICAN NEWS

Court orders new election of Kennecott directors

BY JOHN WYLES

NEW YORK, Sept. 28

THE U.S. Appeals Court in New York today threatened a partial re-run of the extraordinary saga of Kennecott Copper Corporation and Curtiss-Wright by ordering a new election of directors to the copper company's board.

This appeared to be the most important outcome of Curtiss-Wright's appeal against a District Court judgment issued in May on the eve of Kennecott's annual meeting which prevented it voting its 9.9 per cent equity stake and proxies in favour of a rival list of directors. Curtiss-Wright managed to secure a temporary stay of execution of this decision on the very morning of the meeting and argued at the full hearing before the Appeals Court that the Lower Court decision had severely impaired its chances of success by causing some stockholders to swing behind the Kennecott board at the last moment.

Issuing its decision today the Appeals Court ordered the District Court to "void the 1978 annual Kennecott meeting in whole or appropriate part and order that a new" election of directors be promptly held with a proper resolicitation of proxies."

After a long, bitter and expensive battle the Kennecott board won the May vote by a modest margin of 1.6m votes out of close to 24m cast. The District Court Judge ruled in May that Curtiss-Wright had issued "false and misleading" proxy material and that it had failed fully to research its programme of selling off the newly-acquired Carborundum subsidiary and to use the proceeds to pay $40 a share to each stockholder surrendering half of his holding in Kennecott.

The Judge also decided that Curtiss-Wright control of Kennecott would be anti-competitive and would breach anti-trust laws because Curtiss-Wright had an interest in a company manufacturing filter bags which was in competition with a Carborundum division.

The Appeals Court today ordered a retrial on the alleged anti-competitive impact and dismissed Kennecott's claim that a Curtiss-Wright acquisition of control would breach anti-trust laws.

Most observers doubt whether Curtiss-Wright's prospects of victory would be as good as they were if the proxy battle is rerun. However, Kennecott will be extremely reluctant to engage in fresh combat and today's judgment may either encourage some kind of settlement with its adversary, or a Kennecott attempt to place a large block of its shares in friendly hands.

Early last week, Standard Oil of Indiana admitted that it had been talking to Kennecott about some form of association, but it denied rumours that it planned to purchase a 30 per cent stake in the U.S.' largest copper producer on the basis of $40 a share. Kennecott's stock was trading this morning at around $27¼.

Alcan sees strong sales growth in second half

NEW YORK, Sept. 28.

ALCAN Aluminium expects sales for the remainder of the year to improve from the 13 per cent gain of the first half.

In the first half, Alcan earned $20.4m on revenue of $1.78bn, up from net of $13.9m on revenues of $1.52bn. Sales in 1977 totalled $3.03bn.

Commenting on the earnings outlook, Mr. John H. Hale, executive vice-president, said that the year continues to shape up as a good year for the company. In 1977 Alcan earned $201.5m

According to Mr. Hale trends are satisfactory, margins are firm and surplus inventories are expected to be at a low level by year-end.

Mr. Nathanael V. Davis, the company's chairman, sees things set reasonably fair for the aluminium industry in North America and most other areas. He cautioned that while greatly improved profits reported by North American aluminium producers contain a true measure of growth, they also contain an unreal element arising from inflation.

Reuter

Westinghouse settlement near

BY DAVID LASCELLES

NEW YORK, Sept. 28.

A FURTHER settlement in the complex, long-running uranium supply suit between Westinghouse Electric and a number of utilities was reported to be imminent today.

According to the Wall Street Journal, Westinghouse is close to an out-of-court agreement with Houston Lighting and Power, with whom about 11.4m lb of uranium is in dispute.

Neither party would comment on the report, citing a judge's order barring discussion of such settlements.

The litigation arose out of Westinghouse's announcement in 1975 that it would not honour previously negotiated uranium supply contracts with more than 20 utilities because the price of uranium had nearly quadrupled.

Westinghouse had originally entered these agreements to aid sales of its nuclear generating equipment.

Subsequently, Westinghouse sued a number of uranium producers, including Gulf Oil, alleging that they operated a cartel to increase the price of the metal. This case has also to be resolved.

If Westinghouse's settlement with Houston Lighting and Power materialises, it would be the fourth in the case which began last autumn, with the Judge encouraging the parties to settle their differences privately.

The previous settlements, covering about 4.4m lb of uranium, were based on a price of about $8.50 and $11 per pound, against the $7.50 in the original contracts and the $25 reached on world markets at the time Westinghouse cancelled its contracts.

A total of about 80m lbs of uranium is at issue. The Houston Lighting and Power settlement would cover the largest single amount so far.

TRW optimistic on outlook

NEW YORK, Sept. 28.

TRW, the aerospace, tools and vehicle parts group, expects earnings for the third quarter to exceed the 11 per cent increase reported for the first half, according to Mr. Ruben F. Mettler, chairman. In last year's third quarter, TRW earned $1.12 per share on sales of $797.3m, while in the first six months, TRW earned $2.58 a share on sales of $1.8bn.

For the whole of 1978, TRW is confident of earning more than 1977's $4.77 a share and sales should easily top last year's $3.26bn.

Mr. Mettler says the company's spacecraft operations have a backlog of about $750m, currently about $200m higher than a year ago.

Reuter

RESULTS IN BRIEF

Del Monte's quarterly earnings decline

NEW YORK, Sept. 28.

DEL MONTE, the fruit and vegetable canning company which this week accepted the increased bid from the R. J. Reynolds tobacco concern, suffered a slight earnings dip in the first quarter to 73 cents a share from 77 cents.

More encouraging was the result from Beatrice Foods, which last month completed its stalled acquisition of Tropicana Products: at the halfway stage, its earnings per share showed a rise from $1.26 to $1.46.

Completing today's trio of food company figures, Stokley-Van Camp, which operates in the canned and frozen sector, reported a first-quarter jump in earnings from 65 cents to 73 cents.

R. H. Macy, the department store group, saw its earnings advance from $5.33 to $6.16 a share for the full year, while Super Valu Stores went ahead after six months from 78 cents to 94 cents.

At paperboard and glassware concern Federal Paper Board, the per share figure surged sharply ahead during the first nine months to $2.13 from $1.35. Roadway Express, the freight haulage company reporting for the same period, raised earnings from $1.49 to $1.81.

For the whole year, U.S. Shoe Corporation lifted its per share figure from $2.75 to $3.84, while Caesars World profits advanced from $1.03 to $1.61 per share.

Agencies

Airline bid inquiry

The Justice Department has asked the Civil Aeronautics Board for permission to intervene in the merger application of Continental Airlines and Western Airlines, AP-DJ reports from Washington. The Department's anti-trust division said that it is intervening to determine whether the proposed merger may have an anti-competitive impact on the air transport industry.

MEXICO'S PETROCHEMICALS INDUSTRY

A power to reckon with

BY WILLIAM CHISLETT IN MEXICO CITY

BETWEEN NOW and 1982, Mexico's petrochemicals industry, one of the most dynamic sectors of the country's oil-rich economy, is expected to triple capacity to around 19.4m tonnes a year.

Just as Mexico is becoming a world oil giant, so the country will also be a power to reckon with as a producer of basic petrochemicals.

Mexico's petrochemicals industry produced 4.2m tonnes of basic petrochemicals last year: 63 times higher than production in 1960. The Mexican industry is the largest in Latin America and basic production will be sufficient to supply the domestic market by 1982, thereby so converting a net import bill of some $750m for chemicals into an export bonus of $350m.

This programme involves 51.4bn pesos ($2.2m) investment by Petroleos Mexicanos (Pemex), the State-owned oil company for the period 1977-82 with the largest slice — 15.2bn pesos ($650m) being spent this year. The 38 petrochemicals products now produced by Pemex will increase to 44 during this period.

A further 38.6bn pesos ($1.6bn) from other public bodies and also private sectors (their money is destined for secondary petrochemicals) is also being invested over this six year period. The Government is hopeful that, with production rapidly increasing the contribution of petrochemicals to the gross domestic product will increase from 1.7 per cent in 1977 to 3.8 per cent in 1982.

The Mexican industry dates back to 1951, when the production of sulphur was started in Poza Rica from the sweetening of natural gas. But not until 1960 did it really get off the ground with the operation of the dodecylbenzene plant in Azcapotzalco, the installation of the first anhidrous ammonia plants and the production of aromatics from naphtha at Minatitlan.

> **The Mexican petrochemicals industry is already the largest in Latin America. In the next four years it is expected to triple production, establishing itself as a world power in basic petrochemical production and also becoming self-sufficient in petrochemicals—converting a net import bill of $750m into an export bonus of $350m**

Now Pemex, which manages basic petrochemical production, leaving the secondary part to the private sector, has 63 operating petrochemical plants in 13 different places. Another 31 are under construction and a further 25 are being planned. Figures released by the Government this month show that so far this year the construction of three plants has been finished and another five should be finished by the end of the year.

Two of these will be producing ammonia for the production of fertilisers. By the end of 1980, Mexico is expected to be self-sufficient in fertiliser.

Production has gone up by leaps and bounds over the years. For example, in 1970 25,772 tonnes of polyethelene were produced compared with 24,691 tons in the first three months of this year alone. Last year's total basic production of 2.4m tonnes, worth 9.8bn pesos ($426m), represented an increase of 44 per cent on 1976.

Last month, for the first time, Mexico exported its first ever shipment of methanol after quickly reaching self-sufficiency in the product.

Pemex is aiming to become one of the main producers of anhidrous ammonia in the world by increasing present capacity of 1.5m tonnes a year to 3.87m tonnes through new high-capacity plants. It is believed that about 1m tons would then be exported, providing the market could stand it, which some observers consider unlikely.

In another product, ethylene and its derivatives, a large 19 plant complex is under construction which will enable Pemex to produce 2m tonnes a year of ethylene by 1982—more than the rest of Latin America put together. This will be made possible by putting to good use the ethylene contained in natural gas which comes out with the crude oil. The same advantage is being taken of propane, another by-product derived from natural gas, which should enable Mexico to meet its demands for liquefied gas.

EIB Eurobond makes poor start

BY OUR EUROMARKETS STAFF

THE FIRST day of trading of the new French franc Eurobond from the European Investment Bank proved the pessimists right. While the lead manager Crédit Commercial de France was quoting the EIB issue at 97½-98½, other banks in Paris were quoting a price of 96¾-97¼. This represents a two-point fall on the day as a number of holders, both in France and abroad sold their holdings. This weak debut occurred despite the firmness of the French franc in the currency markets.

Terms were fixed yesterday on the DM80m convertible from Jusco, the Japanese supermarket chain, and initial indications in the unofficial market for this bond are that it is now selling at a premium of over one point.

The bond matures in February 1986. It has a coupon of 3.5 per cent, was priced at par, and is convertible from January 1979 at a price of Y1,270 per Jusco share with a fixed exchange rate of Y97 to the DM. At Jusco's price yesterday of Y1,180 the conversion premium is 7.6 per cent.

There is talk in Germany of a DM30m convertible for the Marudai Food Company. The terms are expected to be "normal"—a coupon of 3.5 per cent, a price of par and a conversion premium of around 10 per cent.

In the secondary markets the DM sector was broadly unchanged in price—although volume was lively.

$100m sale by Texas International

By Our Financial Staff

NEW YORK, Sept. 28.

TEXAS INTERNATIONAL, a major U.S. energy equipment and production company, announced today a sweeping restructuring which will transform it into principally an oil and gas producing concern.

Mr. George Platt, the president and chairman, said the board had voted to divest the company of its energy equipment manufacturing division and all of it non-energy-related assets. All these assets have an estimated market value of $100m.

In addition, Texas International is looking into the possibility of selling off its well servicing division, the second largest in the U.S., with assets of a further $200m.

Technologies bid probed

SYRACUSE, Sept. 28.

CARRIER CORPORATION'S counsel has met representatives of the U.S. Department of Justice at the request of the Department in connection with United Technologies Corporation's proposed tender offer for Carrier.

Prior to the decision by Carrier's Board to oppose United Technologies' tender bid, Carrier said it was approached by Justice Department officials for information with respect to any anti-trust implications of a combination of the two companies.

Reuter

MEDIUM-TERM CREDITS

Better rates for Argentina

By Francis Ghilès

An Argentinian borrower, the state oil company, Yacimientos Petroliferos Fiscales (YPF) has succeeded in improving yet again the terms on which an Argentinian borrower can raise funds in the international financial markets.

It has arranged a $250m 12-year loan with six years grace on a split spread rising from ¾ per cent for the first six years to ⅞ per cent for the remainder. The loan carries a sovereign guarantee.

The last major loan for an Argentinian borrower, Agua y Energia Electrica, boasted a split spread of ⅞ per cent for the first three years rising to 1 per cent for the remaining seven and a half years.

Kuhn Loeb Lehman Brothers is co-ordinating the loan: other banks in the management group include Société Générale, DG Bank, Sumitomo Trust, Tokai Bank and Industrial Bank of Japan.

The management group of the loan for YPF includes one French, one West German and three Japanese banks.

A $70m seven-year loan with three years grace is expected to be signed in London this week for five Yugoslav banks —Ljubljanska Banka, Privredna Banka Zagreb, Privredna Banka Sarajevo, Udruzena Banka Beogradska and Udruzena Banka Vojvodjanska. The borrower is paying a spread of 1½ per cent for the first three years, rising to 1¾ per cent. Lead manager is KFTCIC.

The $40m loan for Hidroelectrica de Cataluna, which is being arranged by Chase Manhattan, has been increased to $50m with terms otherwise unchanged. The same bank is leading a $40m loan for SIP the Italian state telephone company.

Barclays Bank is arranging a $70m medium-term loan for Bank Handlowy w Warszawie: the terms of this transaction remain undisclosed but the loan is part of a much larger operation amounting to $290m. The remaining $220m are lines of credit from ECGD.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

[U]sinor [s]pells out [n]ew capital [st]ructure

[By] Our Financial Staff

[SOME] of the finer print in the [French Government']s plans for financially [restr]ucturing France's ailing [steel] industry came to the surface [yeste]rday when details of a [financia]l realignment at Usinor [were] announced.

[The first] of three major companies [involv]ed in the steel reorganisa[tion] and the first to announce [detai]ls, Usinor is to replace some [... p]er cent of its capital with [new] shares which will be [hand]ed over to creditors. The [move] will effectively reduce to [... p]er cent the present con[trolli]ng 65 per cent shareholding [in U]sinor held by the steel hold[ing] company, Denain Nord-Est [Longw]y.

[Th]e new shares being created [will] have priority rights over [exist]ing equity and will be en[titled] to a cumulative dividend [with] payments starting in five [year]s time.

[At] the same time the 48.4 per [cent] stake held by Denain in [Tub]es à Tubes de Lorraine-[Escaut] et Vallourec Reunies SA [(Val]lourec) will be split into two. [Dena]in will hand 25 per cent of [its] shareholding to a newly [crea]ted holding company and will [conti]nue to hold 23.4 per cent [direc]tly in Vallourec. The new [hold]ing company will be control[led b]y 49 per cent of Denain and [... p]er cent by a second holding [com]pany which will include a [... p]er cent government interest. [Th]e state will hold its 15 per [cent] interest alongside 30 per [cent] held by creditor banks, 15 [per] cent held by the Groupe[men]t de l'Industrie Siderurgique, [the] new steel holding company, [... p]er cent by the Caisse des [Dep]ots et Consignations and 10 [per] cent by the Credit National.

[D]enain will, under the pro[posa]ls, write off FFr 260m of [adva]nces made to Usinor in 1976 [and] will repay a FFr 125m loan [from] the Economic and Social [Dev]elopment Fund through new [ban]k borrowing. Denain will [con]vert another FFr 125m loan [mad]e to Usinor in 1976 partly [into] a new 10-year loan at market [rate]s and partly into a partici[pati]ve loan with a very low [inte]rest rate.

[A]t the end of 1977, Usinor's [bor]rowings amounted to FFr [...]n following net losses over [the] three years to 1977 totalling [FFr] 4.5bn.

[L]iquichimica [s]huts plants

ROME, Sept. 28

[LIQ]UICHIMICA INFORMED [uni]ons it is closing its plants [fro]m today putting over 3,000 [em]ployees out of work.

[T]he chemical workers union [said] that it sent a telegram to [the] government calling for the [imm]ediate appointment of a [spe]cial administrator to take [over] the crisis-stricken chemicals [gro]up.

[It]aly's Industry Minister, Sig. [Car]lo Donat Cattin, is due to [me]et representatives from the [com]pany, unions and banks [to]morrow to discuss action on [Liq]uichimica's future.

[L]iquichimica's decision to [clo]se its plants follows weeks of [del]ay in putting into action an [agr]eement between banks for [the] financial salvage of four of [the] firm's six chemical plants. [T]he banks announced an initial [out]line agreement early last [mo]nth.

[Re]uter

THE LUCAS BID FOR DUCELLIER

Ferodo offers a French solution

BY DAVID WHITE IN PARIS

IF THE details of dealings surrounding France's U.S.-controlled motor components group Ducellier are far from clear, their implications are patent.

Lucas Industries' agreement with Bendix of the U.S. to increase its stake from 49 to 100 per cent has been opposed by the French authorities, and the French Ferodo group has found a way around Lucas' claim to have first refusal on the Bendix stake.

A spokesman for DBA, the Bendix company which holds the majority of Ducellier, admitted that, under the agreement with Ferodo announced today, Ferodo will probably have the possibility of taking effective control of Ducellier—thereby considerably strengthening its position alongside Bosch of West Germany and Lucas in the European components business.

The form of the agreement is being kept under wraps. "We have given you a puzzle to play with," said Ferodo, whose subsidiary SEV announced that the parent company had taken a majority interest in an "association" with DBA.

SEV, a group of French component companies in which Ferodo holds 70 per cent and Bosch 30 per cent, had put up the opposition to Lucas' $26m takeover agreement.

DBA's communique was only marginally less terse. It said it had ceded an important part of its "interests" in Ducellier to Ferodo, but a company official said that DBA remained the nominal owner of the 51 per cent shareholding.

Lucas had a pre-emptive agreement with Bendix, when they went into partnership that either would be the first in the queue if the other wanted to sell out. There was no legal problem, DBA said, and DBA's negotiations with Lucas had "come to an end" before the conclusion of this mysteriously contrived joint venture.

The French Government held off a decision to approve the Lucas bid for eight months in the hope that just such a solution would come up involving Ferodo. It is understood that Ferodo was not satisfied with a proposal to split the DBA stake halfway with Lucas.

Lucas had earlier opposed the idea of a joint solution with the SEV group, because of the latter's being part-owned by Bosch, a direct competitor in many areas.

The question now will be what Lucas does with its 49 per cent, which it increased from 40 per cent only last year. Ferodo says it is still in discussions with all the parties involved, which would include Lucas.

Ducellier has secured a dominant position in the local market for electrical components. A relatively successful company, with net profit last year of FFr 28m on sales of FFr 800m ($184m), it is in direct competition with the SEV group.

The market for starter motors, for instance, is virtually divided up between Ducellier and the SEV company Paris Rhone, an ailing outfit when Ferodo picked it up two years ago and put it together in SEV with Marchal and the headlight-maker Cibie.

The Government, which helped push Ferodo into regrouping the three smaller companies, has now steered it towards a juicier plum. Ferodo has been struggling a bit. Its sales growth dropped last year from 25 per cent to 8.5 per cent, and its profit of FFr 59m was down on the previous year's.

Effective control of Ducellier now brings it into the front rank of European companies in the electrical motor components business, up to now dominated overwhelmingly by Bosch.

Kenneth Gooding, Industrial correspondent, writes from London: The failure of its bid for Ducellier is a blow to Lucas's ambitious programme of overseas expansion which follows in the wake of a complete re-design of its electrical components to European standards.

In particular, Ducellier would have given Lucas an extra base in its long-standing competition with Bosch, which is firmly anchored in West Germany but relatively weaker than Lucas in France and the UK.

The French motor industry remains the most important for Lucas outside the UK, with its extensive interests in electrical, brakes and diesel equipment. The rapid expansion of car demand in France was maintained last year and rose by 7 per cent to 3.45m units.

Lucas is already employing 14,000 people in France and its French offshoot has a turnover of about £140m. It is particularly strong in fuel injection equipment and has 60 per cent of that market in France.

And Lucas claims that its approach to Ducellier was in response to the growing objections of the major French motor manufacturers to being tied to under-sized local component manufacturers.

BIS QUARTERLY

Large outflows of dollars

BY NICHOLAS COLCHESTER

DURING the "currency turmoil" of the first quarter of this year, there were "very large outflows of funds, both bank and non-bank, from the U.S.," according to the quarterly report published today by the Bank for International Settlements.

The outstanding feature of the quarter cited by the BIS was the reluctance of the rest of the world (outside the U.S.) to "add to its dollar assets with the international banking system and its desire to add to its dollar indebtedness." The Bank found that the external assets of U.S. banks rose by $6.2bn, while the deposits of U.S. non-banks with banks elsewhere in the reporting area also increased by the same amount. This area consists of the Group of Ten countries, plus Switzerland, Austria, Denmark and Ireland.

This total outflow of $12.4bn compared with the net inflow of $3.6bn that occurred in the first quarter of 1977.

The BIS cites this reluctance *to hold dollar assets as one of* the four factors, beyond an "underlying expansion of normal business," which lay behind a sharp rise in international credit *granted in the first quarter.* After excluding the effects of some changes in the basis of its calculations, the BIS estimates that on a net basis (that is excluding double counting of inter-bank deposits) international credit granted by banks in the reporting area rose by $20bn over the three months to $450bn.

The second factor behind this rise was that the strength of demand for dollar credits by the rest of the world led Eurobanks to reduce their balances in the U.S. by $2.9bn and their balances in the Caribbean area by $1.9bn. At the same time, their dollar lending to non-banks outside the U.S. rose by $4.7bn. The BIS points out, however, that it is by no means clear that the proceeds from these credits were used to speculate against the dollar. The main borrowers were de*veloping countries*, which are much less likely to be borrowing for speculative reasons.

The BIS also points to renewed evidence that central banks have *been diversifying their reserves* out of the dollar. It found that official dollar deposits with reporting banks outside the U.S. declined by roughly $4bn during the quarter. Excluding valuation effects (that is the change in dollar values caused by the weakness of the dollar), the BIS found that this reduction was matched by an increase of about $1bn in the dollar value of central banks' non-dollar deposits with banks. This rather smaller rise does not exclude the possibility that central banks were placing some official reserves in non-dollar securities, which would not show up in the banking figures.

There was also some evidence of a shift against the dollar in the make-up of OPEC holdings. Dollar deposits by private and official OPEC holders with European banks and with banks in Japan fell by $1.3bn, while the dollar value of their non-dollar deposits rose by $1.5bn—again excluding exchange rate effects. But at the same time, OPEC deposits with banks in the U.S. and their branches in offshore centres rose by $1.7bn, of which the bulk [fu]nds to be in U.S. *dollars.*

The BIS report makes it clear that it was Japan in particular that bore the brunt of this movement of funds out of the dollar. *As in the fourth quarter*, banks in Japan experienced a very sharp rise of $3.8bn, or 92 per cent, in their overseas yen liabilities. On the other hand, flow *of* non-resident funds into Deutsche Mark deposits with banks in Germany ceased after what the BIS calls a "floodwave" during the fourth quarter of 1977. Banks in Switzerland continued as in 1977 to be large net exporters of funds, and thus tended to offset the upward pressure on the Swiss franc.

China to raise loans in Eurodollar market

BY DAVID HOUSEGO

CHINA WILL start raising loans in the Eurodollar market, Reuter reported in Peking yesterday, quoting Mr. Helmut Haeusgen, the President of the Federation of European Banks.

Mr. Haeusgen, who is also chairman of the supervisory board of Dresdner Bank, is currently visiting China with the EEC delegation led by Mr. Wilhelm Haferkamp, the External Affairs Commissioner.

In London yesterday it was unclear whether Mr. Haeusgen's reference was to syndicated loans—which would be a major departure for the Chinese—or to trade credits. But bankers in London were highly sceptical of the Chinese making the jump *into the syndicated market for* some time to come—if only because the Bank of China is already overstretched in finalising the details of the enlarged deposit facilities and negotiating the technicalities of buyer's credit.

Five or six London banks are now understood to be completing draft deposit facilities with the Bank of China for a total of $500-600m. They include Standard Chartered, Lloyds Bank International, S. G. Warburg and Kleinwort Benson. Under the scheme the banks would make deposits with the Bank of China when payments on contracts are due to British suppliers. The Bank of China would then use the deposit to pay the supplier. Repayment to the British banks would normally be over five years and the arrangement would be supported by the ECGD.

The advantage to China of such facilities is that it provides sizeable funds on which they can draw with minimal documentation and bureaucratic work.

Similar arrangements seem in the process of being worked out with Germany and Japan—though in Japan's case there would seem to be some attempt to offer China cheaper credits by classifying them as advance payments on imports of oil and other raw materials.

Mr. Haeusgen was reported as *saying* that China would start raising loans on the Eurodollar market as it broadened its methods of financing imports.

Saint-Gobain sale

Saint-Gobain-Pont-a-Mousson has sold a 35 per cent stake in construction company *Maisons* Phenix for FFr 225m ($51m) to an international group of institutional investors, Reuter reports from Paris. It sold 473,200 shares at FFr 475 each, the Paris bourse price on July 17, when the option to buy the shares was granted. The sale gives St. Gobain a capital gain of FFr 110m.

More confidence at Hoechst after upturn in profits

BY GUY HAWTIN

FRANKFURT, Sept. 28.

WEST GERMANY'S largest chemical concern, Hoechst, appears to be far more cheerful about the year's prospects than it was four months ago. Earnings appear to have recovered from the first quarter, when they slid by 25 per cent against the 1977 performance.

Professor Rolf Sammet, the group's chief executive, said that the current mood in the Hoechst concern was one of muted optimism. Profits are expected to be maintained at least at 1977's level, when the parent concern's net totalled DM 691m — 12.1 per cent down on 1976's DM 786m.

This appears to be encouraging news for shareholders, who must have been steeling themselves for a cut in dividend following the news of the first quarter's performance. Professor Sammet said at the annual meeting this summer that maintained profits were the pre-requisite of dividend continuity.

The Hoechst AG parent concern's sales for the first eight months of 1978 were up by 4.4 *per cent to DM 8.7bn ($4.49bn).* Domestic sales advanced by 4.1 per cent to DM 4.25bn while sales outside the Federal Republic increased somewhat faster, rising by 4.8 per cent to DM 4.46bn.

The group is hoping that the slight upward trend would continue, said Professor Sammet. For the year as a whole, turnover of Hoechst AG is expected to total DM 12.9bn — about 2 to 3 per cent higher than in 1977.

Earnings, he said, still reflected falling sales prices, particularly in the fibres plastics *and inorganic chemicals sectors.* For the full year declining sales prices will probably cut earnings by some DM 300m, of which DM 200m would be attributable to the export side.

In the fibres sector, however, the group's rationalisation programme had brought about a considerable reduction in losses. Raw material prices also declined, while capacity utilisation improved and in individual areas Hoechst is back in the black in this sector.

Developments in a large proportion of the group's plastics operation were, however, unsatisfactory. Over-capacity, together with severe competition from state-controlled industry and enterprises in Eastern Europe *put a heavy pressure on prices* which could not be offset by the small decline in raw material costs.

Capital investment by the West German parent concern this year is expected to total DM 700m—slightly down on the previous year's DM 734m. Investment world-wide, however, is expected to show a marked increase, rising from 1977's DM 1.48bn to DM1.75bn. During 1979 Hoechst AG plans to invest between DM 750m and DM 800m. Total capital investment, including the figures for overseas investment and projects with domestic partners, is estimated at DM 1.9bn. There are no financing problems likely to arise from the group's capital investment plans and no capital increase is in sight, Professor Sammet said.

Rationalisation measures are continuing apace, he said. By *the year's end, the labour force* of Hoechst AG is expected to show a reduction of 2.5 per cent.

Krupp maintains sales in first half-year

ESSEN, Sept. 28.

SALES OF Fried Krupp GMBH rose slightly to DM 5.25bn in the *first-half of 1978 from DM 5.20bn* a year earlier. The figures exclude inter-company turnover and are on a world basis.

Krupp hade no mention of the *earnings outlook for this year. In* 1977 net profits recovered to DM 2.5m from DM 0.6m. The share in first-half world turnover held by the group's sales abroad rose to 37 per cent from 35 per cent.

Incoming orders fell around 2 per cent to DM 5.5bn, characterised by particular weakness in shipbuilding and industrial plant orders, though several large plant *orders are awaiting incorporation* in second-half figures.

Krupp's orders in hand at June 30, totalled DM 10.2bn, around 1 per cent higher than at the *end of last year. Outstanding* orders "continue to decline" in the shipbuilding sector and there is still not enough work in the branch to guarantee full employment, Krupp said.

Worldwide workforce at June 30 was 84,700 compared to around 86,600 at end-1977.

Reuter

Dutch shipbuilding rescue plan

BY CHARLES BATCHELOR

AMSTERDAM, Sept. 28.

SHIPBUILDING employers and unions have agreed on a rescue plan after talks with the government for two large shipbuilding and repair yards in the port of Amsterdam. Under the plan, Amsterdam will retain capacity to build ships' sections in the hope that the yards will later be able to build complete vessels if world demand increases.

A new repair yard will be formed from the activities of the Amsterdam Dry Dock Company (ADM) and of the NDSM, a subsidiary of the Rotterdam-based RSV group. The state will take a shareholding of just under half, worth Fl 14m ($6.6m) in the new company. The new yard will have a share capital of Fl 30m of which Fl 16m will be held by ADM and Fl 14m by the state.

Under pressure from the unions, agreement has been reached on the setting up of a new shipbuilding yard. ADM and the state will each take a stake of 35 per cent in this company with RSV taking 30 per cent. The government will also provide Fl 40m from existing shipbuilding support funds to meet the extra costs of construction in Amsterdam as against Rotterdam.

This plan, on which outline agreement has been reached will lead to the loss of 1,100 jobs. The unions are now sounding out their members' reactions. The shipbuilding yard will employ 300 and the repair yard 1,850, although this will decline to 1,700. There will be no enforced redundancies with the cut backs being achieved by early retirement and retraining.

Norway and Holland in North Sea joint venture

BY KEVIN DONE, ENERGY CORRESPONDENT

STOLT-NIELSEN, the Norwegian shipping and engineering group and Heerema, the Dutch marine engineering company, are forming a joint company to provide offshore services in the *Norwegian sector of the North Sea.*

The new company, which will be owned on a 50/50 basis, will be the contracting company in Norwegian waters for Stolt-Nielsen and Heerema for offshore installation and hook-up work as well as for other offshore construction services.

If the partnership proves successful, *it is likely to move into* other offshore oil and gas areas around the world.

The new company will tender for work in connection with offshore platforms, including design, engineering, procurement, tow-out, installation and hook-up.

Previously, Stolt-Nielsen has concentrated its offshore activities in subsea maintenance and construction, and offshore helicopter services. Mr. Jacob Stolt-Nielsen said the move into general offshore engineering and construction was "a logical and necessary one as well as the fulfilment of a long-standing ambition.

The new partnership is already *bidding for a steel platform* order for the Valhall Field. The structure will act as a booster platform on the planned pipeline to the Ekofisk Field.

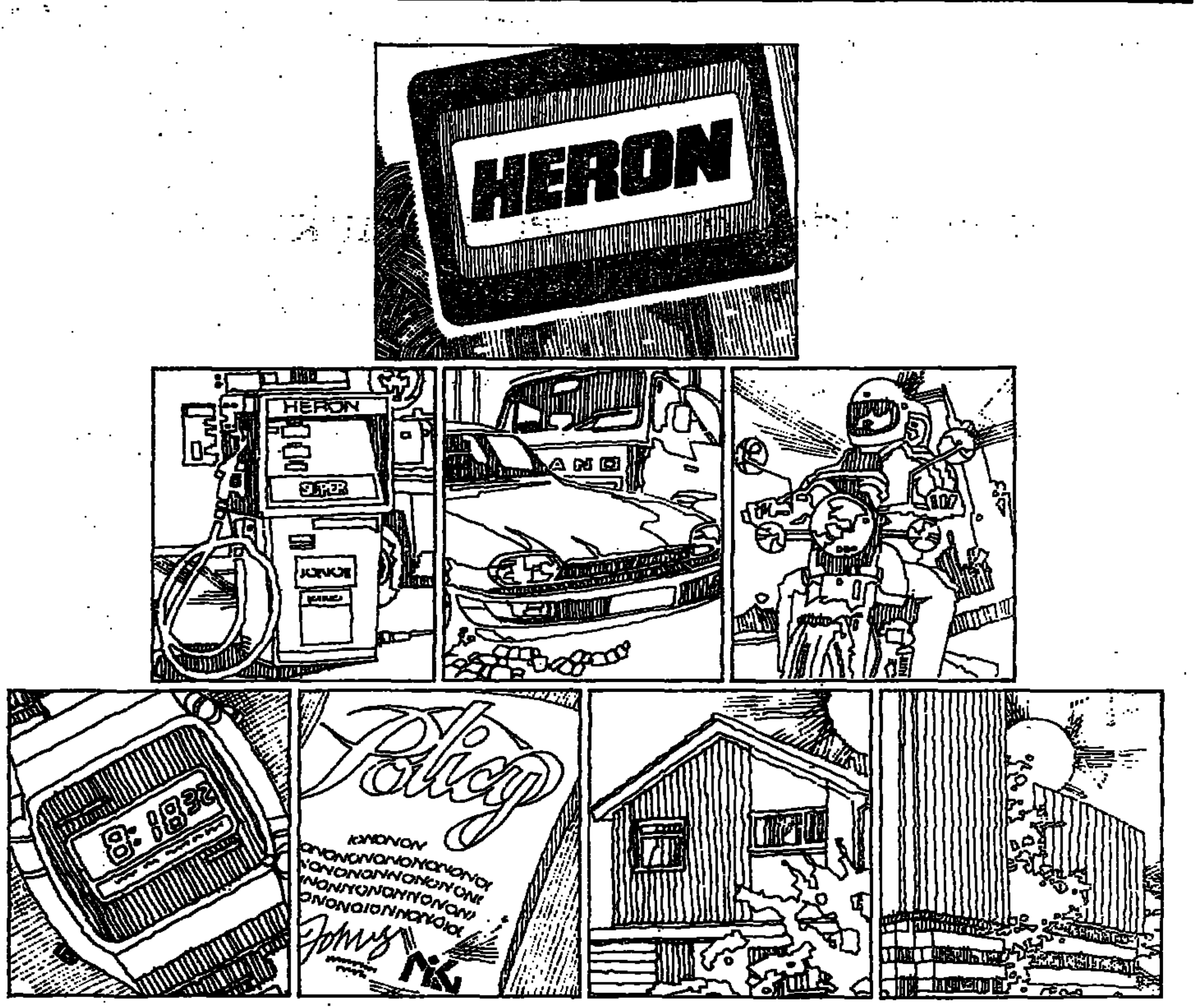
Sarrio halts payments as loan is fixed

By Robert Graham

MADRID, Sept. 28.

SARRIO, the financially troubled Spanish paper group, has declared a suspension of all outstanding payments. This is the result of negotiations with a group of five Spanish banks for a special Pta 2bn ($28m) credit, the latter insisting that the full amount of the credit be devoted to the working of Sarrio's plants and not be diverted to the company's creditors.

The five banks — Central, Exterior, Hispano-Americano, Popular and Urquijo—had hoped to avoid resorting to a suspension of payments, which amounts to a temporary freeze



INTERNATIONAL FINANCIAL AND COMPANY NEWS

Sime Darby lifts dividend as Kempas boosts results

BY WONG SULONG KUALA LUMPUR, Sept. 28.

SIME DARBY HOLDINGS has reported that its pre-tax profits for the financial year to June 30 rose by 22 per cent to 184.4m ringgits, but added that after profits for minority shareholders in its subsidiaries and extraordinary items, the profit attributable to the group fell by 18 per cent to 78m ringgits.

However, shareholders are to receive a higher dividend. Sime is proposing a final dividend of 17.5 per cent plus a special dividend of 2.5 per cent, bringing the year's total to 30 per cent, compared with 20 per cent last year.

Sime's turnover increased by 29 per cent to 1.74bn ringgits (U.S.$ 760m) and made a trading profit of 177m ringgits. Income from investments and profits from associated companies brought the pre-tax profit to 184m ringgits after the deduction of interest charges. Profits attributable to minority shareholders in its subsidiary increased by 12m ringgits to 40m ringgits.

During the previous financial year the group made a profit of nearly 40m ringgits from the sale of land by its Hong Kong subsidiary, Amoy Canning Corporation.

Sime pointed out that the results presented took into consideration the fact that Kempas Berhad was converted from an associated to a subsidiary company at the end of 1977, and to come into line with Sime's financial year-end, of June 30, the results of Kempas for the past 18 months were incorporated.

If Kempas were to be treated on an associated company basis, the following changes would be made in the group's results: deduction of 27.5m ringgits in pre-tax profits; deduction of 10m ringgits in taxation; reduction of profit attributable to minority shareholders by 13.8m ringgits; and deduction of profit attributable to Sime Darby by 5.9m ringgits.

Kempas (for 18 months) made a pre-tax profit of 41.5m ringgits, compared with 18m ringgits for the 12 months to December, 1976. After-tax profits were 24.2m ringgits, compared with 9.8m ringgits. A final dividend of 12 per cent will be paid, making total dividends of 36 per cent during the 18 months, compared with 21.6 per cent.

The Hong Kong-based China Engineers pre-tax profits rose from HK$ 50.8m to HK$ 60.8m (U.S.$ 12.8m). After-tax the profits stood at HK$ 52.3m, compared with HK$ 43m.

Amoy Canning Corporation pre-tax profits rose by 38 per cent to HK$ 12.7m, with after-tax profits standing at HK$ 11m, representing a 28 per cent increase. The final dividend is 7 cents, making a year's total of 10 cents (8 cents previously). In addition a special bonus of 40 cents is paid from profits from the sale of land.

Sime Darby London's pre-tax profits fell from £3m to £1.8m (U.S.$ 3.5m), with after-tax profits declining from £1.76m to £853,000.

Higher payout from Tollgate

BY RICHARD ROLFE JOHANNESBURG, Sept. 28

TOLLGATE HOLDINGS, the Cape-based conglomerate whose interests spread through transport, property, computer services and insurance, has announced higher profits for its year to June 30 and, as forecast in last year's annual report, has paid a 20c dividend.

This is the same as the previous year's dividend total, but the group's capital has meanwhile been raised from 8m to 11.1m shares by way of a 30-for-100 scrip issue. Hence the dividend has effectively been raised 15 per cent.

On turnover up from R47.5m to R52.3m ($60m), pre-tax profits were up from R11m to R14.4m ($16.6m) and at the net, taxed level the group was ahead from R6.6m to R9.9m. Earnings per share were 83c on the increased capital compared with an adjusted 64c the previous year and the shares, at 220c yield 9.1 per cent.

Record year for Grace Brothers

By James Forth

SYDNEY, Sept. 28.

GRACE BROTHERS Holdings, the retail and removal group, registered its eighteenth successive lift in earnings for the year to July 29. Group earnings rose 15 per cent, from A$10.9m to A$12.5m lifting earnings per share from 28.97 cents to 33.36 cents. The annual dividend is raised from 8 cents a share to 10 cents.

Group sales rose 13 per cent, from A$379m to A$415m. The directors said that the federal election held last December affected trading in the company's stores.

Referring to the current year, the directors said that trading had continued to be difficult, resulting from a positive reluctance by the public to spend.

Dalton-Carpenter

The Board of Dalton Brothers Holdings Limited is to recommend shareholders to accept an increased offer of A$1.67½ per 50 cents per share from W. R. Carpenter Holdings for the 63.8 per cent of Dalton's issued capital of 10.59m shares not previously held, Reuter reports from Sydney. Dalton has until now opposed Carpenter's bid, which began at A$1.40 a share in May, and was lifted to A$1.60 in late August.

Hongkong Land to raise HK$600m as profits jump

BY ANTHONY ROWLEY HONG KONG, Sept. 28.

HONGKONG LAND, the colony's biggest property development and management group, today announced a near 50 per cent rise in interim attributable profits together with a major, two-part fund raising exercise.

The group, which has recently announced a series of major property developments in Hong Kong's new territories, plans to raise HK$600m (U.S.$126m) by way of a rights issue of loan stock.

The loan stock will carry warrants enabling shareholders to subscribe for a total of HK$600m worth of new ordinary shares in Hongkong Land by December 31, 1986.

Attributable profits of the group at the interim stage were HK$135.4m against HK$90.8m in the first half of last year. Mr. David Newbigging, Hongkong Land's chairman forecast a 20 per cent increase in full-year after-tax profits to HK$276.2m before extraordinary items. The interim dividend is raised from 12 to 14 cents and Mr. Newbigging said the final payment would be not less than 29 cents, making a total payment of 43 cents, an increase of 13 per cent over last year.

Hongkong Land said that a significant part of the big increase in interim profits arose from profits generated by a new housing development at Pok Fulam, called Chi Fu Fa Yuen.

Mr. Newbigging indicated also that the company's existing commercial properties in Hong Kong's central district continued to experience strong demand, with a current occupancy of 99 per cent.

Letting prospects for the 47-storey Gloucester Tower and the 41-storey Windsor House in Causeway Bay were excellent, with Windsor House already 75 per cent pre-let. Windsor House is scheduled for full occupation in 1979 and Gloucester Tower is due for completion early in 1980.

Residential properties were also showing continuing strength and trading by the group's hotel interests was buoyant. Trading by the dairy farm food group was satisfactory.

The HK$600m of 8 per cent unsecured 1984-93 loan stock will be issued by way of a rights issue on the basis of HK$10 nominal of loan stock for every eight shares or HK$1.25 of loan stock per Hongkong Land share held on October 20. Fifty per cent will be payable not later than November 20 and the remaining 50 per cent by May 31.

The stock will carry warrants entitling holders to subscribe on or before December 31, 1986 to an aggregate amount of HK$600m of new shares. The subscription price will be fixed at 101 per cent of the average price of the shares between November 9 and 16. The news came after Hongkong Land shares closed virtually unchanged at HK$12.35.

Shaw Brothers profits surge in second half

BY RON RICHARDSON HONG KONG, Sept. 28.

SHAW BROTHERS (Hong Kong), the biggest producer of Chinese movies, has reversed the declining profit trend of the past two years, and turned in 80 per cent higher earnings of HK$29.3m (U.S.$6.2m) for the 12 months to March 31.

This recovered much of the ground lost since the company earned a record HK$34.5m in 1975. Most of the profit surge came in the second half of the year, as in the interim report the directors said that mid-term earnings were comparable to those of the previous year. However, no explanation is given in the brief final statement.

The final dividend is held at 25 cents, making the total distribution an unchanged 40 cents. Books close on October 20.

In recent years, Shaw Brothers has run into various government restrictions limiting distribution of its films in Indonesia, Thailand and Singapore. It has relied increasingly on income from its chain of 160 cinemas in South-East Asia and the U.S. and from film exports to non-traditional markets such as Africa, South America and Canada.

Solid growth at Arnotts

BY OUR OWN CORRESPONDENT SYDNEY, Sept. 28.

ARNOTTS, the biscuit maker, has raised its dividend, following a 22 per cent increase in profits to A$9.2m (U.S.$10.6m) in the year to June 30. The result came on an 11.5 per cent rise in revenue to A$232m. Profit growth was greatest in the second half, with earnings jumping almost 40 per cent to A$4.2m.

The directors said that earnings in the latest year were affected by fire in the snack food factory and by costs associated with the establishment of the pet food division. Without these burdens a higher growth rate was indicated for the current year.

The dividend is raised from 9 cents a share to 10 cents. It is the fourth successive increase since 1973-74 when Arnotts paid 6.5 cents a share.

The higher pay-out is covered by earnings of 20.4 cents a share, compared with 16.8 cents in 1976-77.

Jordan Islamic Bank licensed

By Rami G. Khouri

AMMAN, Sept. 28.

THE CENTRAL BANK of Jordan has issued a preliminary licence to the Jordan Islamic Bank, which now hopes to open for business early next year.

The Jordan Islamic Bank will be operated on traditional Islamic economic principles based on the Sharia law, and the tenets of the Koran, the Moslem holy book. People of all religions may use its services.

It will not offer interest on deposits or charge interest on loans — which is the basis for commercial banking throughout the western world. Rather it will charge commissions and service charges for services rendered, and will attract depositors by giving them a share of the profits from the bank's investments, according to Dr. Sami Homoud, a Jordanian banker who has been the driving force behind the new bank.

The bank has an authorised capital of $13m, of which $6m has already been raised on the local market.

Dr. Homoud, currently assistant general manager of a commercial bank, the Jordan-Gulf Bank, claims that the Jordan Islamic Bank's operating methods will usually provide a return on investment of around 17 per cent.

He says such a high rate of return compares very favourably with the present ceiling of 9 per cent that commercial banks are allowed to charge on their loans, and he anticipates that the Jordan Islamic Bank will draw a great deal of money in deposits from Jordanians whose religious beliefs prevent them from depositing their savings in interest-bearing commercial bank accounts.

The bank will offer both deposit and current accounts, but only the deposit accounts will benefit from the bank's profit-sharing system.

When it opens its doors, the Jordan Islamic Bank will join a small but growing group of similar Islamic banking institutions throughout the Moslem world. Four such banks in the Arab world and the Jeddah-based Islamic Development Bank are now members of the Mecca-based International Union of Islamic Banks.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 9½pc 1989	96	97
AMEV 8pc 1987	[illegible]	[illegible]
Australia 8½pc 1992	[illegible]	94
Australian M. & S. 9½pc '92	98	99
Barclays Bank 8½pc 1992	95	97
Bowater 9½pc 1992	97	[illegible]
Can. N. Railway 8½pc 1986	[illegible]	94
Credit National 8½pc 1986	[illegible]	97
Denmark 8½pc 1984	97	97
ECS 9pc 1995	[illegible]	92
ECS 8½pc 1997	95	96
EIB 8½pc 1992	95	97
EMI 9½pc 1989	98	95
Ericsson 8½pc 1989	96	96
Esso 8pc 1986 Nov.	95	97
Gt. Lakes Paper 8½pc 1984	95	[illegible]
Hamersley 9½pc 1992	99	100
Hydro Quebec 9pc 1992	97	97
ICI 8½pc 1987	94	95
ISE Canada 9½pc 1986	101	101
Macmillan Bloedel 9pc 1992	97	96
Massey Ferguson 9½pc '91	96	97
Michelin 9½pc 1988	99	100
Midland Int. Fin. 8½pc '92	96	97
National Coal Bd. 8pc 1987	[illegible]	[illegible]
Natl. Westminster 9pc 1986	99	[illegible]
Natl. Westmnstr. 9pc '86 'B'	100	101
Newfoundland 9pc 1989	[illegible]	[illegible]
Nordic Inv. Bank 8½pc 1988	97	97
Norges Kom. Bk. 8½pc 1992	95	97
Norpipe 8½pc 1989	96	96
Norsk Hydro 8½pc 1992	94	95
Oslo 9pc 1988	99	101
Ports Autonomes 9pc 1991	98	99
Prov. Quebec 9pc 1995	96	97
Prov. Saskatchwn. 8½pc '86	97	95
Reed International 9pc 1987	[illegible]	[illegible]
RHM 9pc 1992	94	95
Selection Trust 8½pc 1989	[illegible]	[illegible]
Shell Intl. Fin. 8½pc 1990	95	95
Skand. Enskilda 9pc 1991	98	99
SKF 8pc 1987	91	[illegible]
Sweden (K'dom) 8½pc 1987	94	[illegible]
United Biscuits 9pc 1989	97	97
Volvo 8pc 1987 March	91	[illegible]
NOTES		
Australia 7½pc 1984	95	[illegible]
Bell Canada 7½pc 1987	92	93
Br. Columbia Hyd. 7½pc '85	92	[illegible]
Can. Pac. 8½pc 1984	96	97
Dow Chemical 8pc 1986	94	95
ECS 7½pc 1982	94	95
ECS 8½pc 1989	94	94
EEC 7½pc 1982	94	95
EEC 7½pc 1984	[illegible]	94
Enso Gutzeit 8½pc 1984	95	96
Gotaverken 7½pc 1982	94	95
Kockums 8pc 1983	95	[illegible]
Michelin 8½pc 1983	97	98
Montreal Urban 8½pc 1981	95	95
New Brunswick 8pc 1984	97	95
New Bruns. Prov. 8½pc '83	97	98
New Zealand 8½pc 1986	94	95
Nordic Inv. Bk. 7½pc 1984	95	[illegible]
Norsk Hydro 7½pc 1982	94	[illegible]
Norway 7½pc 1982	[illegible]	[illegible]
Ontario Hydro 8pc 1987	[illegible]	[illegible]
Singer 8½pc 1982	97	97
S. of Scot. Elec. 8½pc 1981	95	[illegible]
Sweden (K'dom) 7½pc 1982	[illegible]	[illegible]
Swedish State Co. 7½pc '82	[illegible]	96
Telmex 9½pc 1984	[illegible]	99
Tenneco 7½pc 1987 May	91	92
Volkswagen 7½pc 1987	92	93
STERLING BONDS		
Allied Breweries 10½pc 1990	91	92
Citicorp 10pc 1993	[illegible]	[illegible]
Courtaulds 9½pc 1989	[illegible]	[illegible]
ECS 9½pc 1989	[illegible]	[illegible]
EIB 9½pc 1988	[illegible]	95
EIB 9½pc 1992	[illegible]	94
Finance for Ind. 9½pc 1987	91	[illegible]
Finance for Ind. 10pc 1989	94	[illegible]
Fisons 10½pc 1987	[illegible]	[illegible]
Gestetner 11pc 1988	[illegible]	[illegible]
INA 10pc 1988	91	92
Rowntree 10½pc 1988	[illegible]	[illegible]
Sears 10½pc 1988	[illegible]	[illegible]
Total Oil 9½pc 1984	90	91
DM BONDS		
Asian Dev. Bank 5½pc 1988	95	96
BNDE 6½pc 1988	97	98
Canada 4½pc 1983	[illegible]	99
Den Norske Ind. Bk. 6pc '90	99	100
Deutsche Bank 4½pc 1983	98	99
ECS 5½pc 1990	[illegible]	[illegible]
EIB 5½pc 1990	[illegible]	[illegible]
Elf Aquitaine 5½pc 1988	94	[illegible]
Eurofima 5½pc 1987	97	[illegible]
Finland 5½pc 1986	97	[illegible]
Forsmarks 5½pc 1990	97	[illegible]
Mexico 6pc 1985	97	[illegible]
Norgem 5½pc 1989	[illegible]	[illegible]
Norway 4½pc 1983	[illegible]	99
Norway 4½pc 1983	[illegible]	[illegible]
PK Banken 5½pc 1985	[illegible]	[illegible]
Prov. Quebec 6pc 1990	[illegible]	[illegible]
Rautaruukki 5½pc 1985	95	96
Spain 6pc 1988	96	97
Trondheim 5½pc 1988	96	97
TVO Power Co. 6pc 1988	97	98
Venezuela 6pc 1988	96	97
World Bank 5½pc 1990	97	98

FLOATING RATE NOTES	Bid	Offer
Bank of Tokyo 1984 8½pc	99	99
BFCE 1984 9 7/16pc	99	99
BNP 1983 9 5/16pc	99	100
BQE Worms 1985 9pc	99	99
CCF 1985 8½pc	98	99
Chase Manhtn. '93 9 5/16pc	97	98
Creditanstalt 1984 8½pc	99	99
DG Bank 1982 9pc	99	100
GZB 1981 9½pc	99	100
Intl. Westminster 1984 8pc	99	[illegible]
Lloyds 1983 8 13/16pc	99	100
LTCB 1985 9 1/16pc	99	99
Midland Int. FS '87 8 9/16pc	98	99
Midland Int. FS '93 9 1/16pc	98	98
Nat. Westminstr. '90 8 5/16pc	98	99
OKB 1983 9¼pc	99	100
SNCF 1985 9 5/16pc	98	99
Std. and Chtrd. '84 9 5/16pc	99	99

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	[illegible]	83
Babcock & Wilcox 7pc '92	[illegible]	[illegible]
Beatrice Foods 4½pc 1992	99	100
Beatrice Foods 4½pc 1992	114	115
Beecham 6½pc 1992	110	[illegible]
Boots 6½pc 1992	99	100
Borden 5pc 1992	98	98
Broadway Hale 4½pc 1987	72	73
Carnation 4pc 1987	[illegible]	75
Chevron 5pc 1988	143	145
Dart 4½pc 1987	82	[illegible]
Eastman Kodak 4½pc 1988	85	86
Economic Labs. 4½pc 1987	80	81
Firestone 5pc 1988	[illegible]	75
Ford 5pc 1988	[illegible]	[illegible]
General Electric 4½pc 1987	[illegible]	[illegible]
Gillette 4¾pc 1987	[illegible]	[illegible]
Gulf and Western 5pc 1988	[illegible]	[illegible]
Harris 5pc 1992	[illegible]	[illegible]
Honeywell 6pc 1986	[illegible]	[illegible]
ICI 6¾pc 1992	[illegible]	[illegible]
INA 6pc 1997	[illegible]	[illegible]
Inchcape 6¾pc 1992	[illegible]	[illegible]
ITT 4½pc 1987	[illegible]	[illegible]
Jusco 6pc 1992	[illegible]	[illegible]
Komatsu 7½pc 1990	[illegible]	[illegible]
J. Ray McDermott 4¾pc '87	[illegible]	[illegible]
Matsushita 6½pc 1990	[illegible]	[illegible]
Mitsui 7¼pc 1990	[illegible]	[illegible]
J. P. Morgan 4½pc 1987	[illegible]	[illegible]
Nabisco 5½pc 1988	[illegible]	[illegible]
Owens Illinois 4½pc 1987	[illegible]	[illegible]
J. C. Penney 4½pc 1987	[illegible]	[illegible]
Revlon 4½pc 1987	[illegible]	[illegible]
Reynolds Metals 5pc 1988	[illegible]	[illegible]
Sandvik 6½pc 1988	[illegible]	[illegible]
Sperry Rand 4½pc 1987	[illegible]	[illegible]
Squibb 4½pc 1987	[illegible]	[illegible]
Texaco 4½pc 1988	[illegible]	[illegible]
Texas Int. Airlines 7½pc '93	[illegible]	[illegible]
Toshiba 6½pc 1992	[illegible]	[illegible]
Ty Co. 9pc 1984	75	[illegible]
Ty Co. 5½pc 1986	[illegible]	[illegible]
Union Carbide 4½pc 1982	[illegible]	[illegible]
Warner Lambert 4½pc 1987	81	[illegible]
Warner Lambert 4½pc 1988	[illegible]	[illegible]
Xerox 5pc 1988	[illegible]	[illegible]

Source: Kidder, Peabody Securities.

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ملفات الدول

Currency, Money and Gold Markets

Dollar drifts in quiet trading

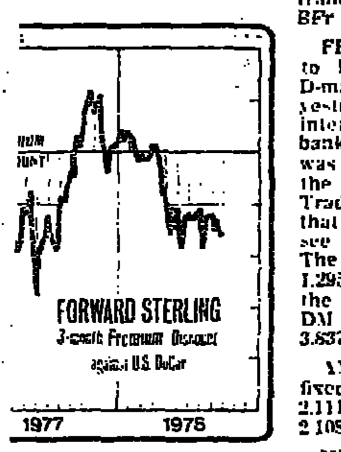
The dollar showed little change in quiet trading in the foreign exchange market yesterday. Its trade-weighted depreciation was slightly firmer, on Morgan Guaranty figures, narrowing to 9.1 per cent from 9.2 per cent, reflecting the general improvement against the Swiss franc and Canadian dollar. Most of the major currencies were slightly higher in terms of the currency. The dollar eased to DM 1.9385 from DM 1.9405 against the German D-mark, and to FFr 4.3540 from FFr 4.3615 in terms of the French franc.

It opened at SwFr 1.4925 against the Swiss franc, and fell to a low of SwFr 1.4870 in the morning, but then improved to SwFr ... before closing at SwFr ... compared with SwFr 1.4960 on Wednesday.

The dollar also gained ground against the Canadian dollar, closing at 84.54½ U.S. cents to the Canadian unit, compared with ... previously.

Sterling was slightly firmer. It opened at $1.9740-1.9750, and eased to $1.9745-1.9755, before falling to $1.9695-1.9705 at lunch. Sterling fell to $1.9665-1.9675 in the afternoon, and closed at $1.9725-1.9735, a rise of 25 points on the day. Sterling's trade-weighted index, as calculated by the Bank of England, rose to 62.7 from 62.6, after standing at 62.6 at noon and in early trading.

BRUSSELS—There was no official intervention from the Belgian authorities at yesterday's fixing. Sales totalling DM 50m were made by two commercial banks, but there was no evidence whether these were on behalf of the central bank. Trading was nervous and rather thin, with the Belgian franc at or near its floor against the D-mark within the terms of the European currency snake. During the latter part of last week the franc was at its floor against the D-mark, but recovered slightly at the fixings on Tuesday and Wednesday. At yesterday's fixing it was back at the lowest permitted level of BFr 15.765 against the German currency, however. The Belgian franc also lost ground against the dollar yesterday, reflecting the weaker fixing level of the D-mark in terms of the dollar. It fell to BFr 30.5350-30.6850, compared with BFr 30.4675-30.6175 previously, and the Belgian unit also lost ground against the French franc to BFr 7.0040-7.0340 from BFr 6.9885-7.0185.



FORWARD STERLING
3-month Premium/Discount against U.S. Dollar

FRANKFURT—The dollar rose to DM 1.9358-1.9438 against the D-mark, from DM 1.9345-1.9425 at yesterday's fixing, without any intervention from the Bundesbank. The dollar's fixing level was also an improvement from the opening level of DM 1.9350. Trading was moderate, amid signs that the market was waiting to see how New York would open. The Swiss franc fell to DM 1.2935-1.2955 from DM 1.3015-1.3037 at the fixing, while sterling eased to DM 3.8160-3.8300 from DM 3.8260-3.8370.

AMSTERDAM—The dollar was fixed slightly firmer at Fl 2.10875-2.11125, compared with Fl 2.10575-2.10825 previously.

MILAN—The dollar was slightly firmer at the fixing, rising to L823.80 from L822.95. The Swiss franc was weaker against the lira however, and was fixed at L549.60, compared with L552.60 on Wednesday. The Italian currency also improved against the yen, and sterling at the fixing, and held firm in terms of the D-mark.

PARIS—The dollar eased to FFr 4.3540-4.3660 from FFr 4.3590-4.3710 at the fixing, and the D-mark also declined to FFr 2.2446-2.2496 from FFr 2.2498-2.2548.

TOKYO—The dollar lost ground in slow trading, despite the improvement in the latest U.S. trade figures. It opened at Y188.50 in terms of the Japanese yen, and traded between Y188.20 and Y188.65. The dollar closed at Y188.52½, compared with Y189.37½ on Wednesday. Spot volume totalled $462m., while combined forward and swap was $778m.

THE POUND SPOT

Sept. 28	Bank rate %	Day's spread	Close
U.S. $	8	1.9665-1.9755	1.9725-1.9735
Canadian $	9½	2.3250-2.3340	2.3325-2.3335
Guilder	5½	4.14-4.17	4.15½-4.16½
Belgian F.	6	60.10-60.40	60.25-60.35
Danish K.	8	10.55-10.57½	10.56-10.57
D-Mark	3	3.81-3.84	3.82½-3.83½
Port. Esc.	18	89.70-89.70	89.25-89.65
Span. Pes.	8	142.55-142.90	142.75-142.85
Lira	10½	1,612½-1,626	1,623½-1,624½
Nrwgn. K.	7	10.12-10.16	10.14½-10.15½
French Fr.	9½	8.58-8.62	8.58½-8.59½
Swedish Kr.	6½	8.67½-8.71	8.69½-8.70½
Yen	4½	370-378	373-375
Austria Sch.	4½	27.60-27.80	27.70-27.80
Swiss Fr.	1	2.95½-2.99½	2.98½-2.99½

Belgian rate is for convertible francs. Financial franc 61.35-61.45.

FORWARD AGAINST £

	One month	% p.a.	Three months	% p.a.
U.S. $	0.58-0.48c pm	3.22	1.67-1.57c pm	3.28
Canadian $	0.70-0.60c pm	3.34	2.08-1.90c pm	3.34
Guilder	1c pm-par	1.44	3½-2½c pm	2.88
Belgian F.	20-10c pm	2.98	5-45c pm	3.32
Danish K.	1½-3½ore dis	-2.56	par-2 ore dis	-0.39
D-Mark	3½-2½pf pm	8.01	8½-7½pf pm	8.27
Port. Esc.	50-150c dis	-13.42	300-450c dis	-16.53
Span. Pes.	25-125c dis	-6.40	140-250c dis	-5.60
Lira	11-14 lire dis	-9.60	19-22 lire dis	-4.93
Nrwgn. K.	1½ore pm-par	1.18	6-4 ore pm	1.97
French Fr.	1c pm-par	1.02	5-4c pm	2.09
Swedish Kr.	2¼-1¾ore pm	2.41	11½-9½ore pm	4.71
Yen	3.40-3.10y pm	10.42	9.35-9.05y pm	9.85
Austria Sch.	17-7gro pm	5.19	40-30gro pm	5.05
Swiss Fr.	3½-2½c pm	11.54	9½-8½c pm	11.54

Six-month forward dollar 3.15-3.05c pm. 12-month 5.50-5.40c pm.

THE DOLLAR SPOT

September 28	Day's spread	Close
Canad'n $*	84.53-84.70	84.53-84.56
Guilder	2.1049-2.1125	2.1100-2.1125
Belgian Fr	30.52-30.62	30.57-30.62
Danish Kr	5.3590-5.3560	5.3545-5.3568
D-Mark	1.9350-1.9420	1.9395-1.9410
Port. Esc	45.25-45.65	45.35-45.65
Lira	822.25-823.40	823.05-823.15
Nrwgn Kr	5.1345-5.1550	5.1400-5.1500
French Fr	4.3525-4.3645	4.3525-4.3575
Swedish Kr	4.4020-4.4105	4.4085-4.4095
Yen	188.80-189.30	189.10-189.30
Austria Sch	14.035-14.07	14.06-14.07
Swiss Fr	1.4925-1.5180	1.5150-1.5180

* U.S. cents per Canadian $.

FORWARD AGAINST $

	One month	% p.a.	Three months	% p.a.
Canad'n $	0.01c dis-0.01c pm	—	0.01c dis-0.02c pm	0.02
Guilder	0.20-0.35c pm	0.37	0.05c dis-0.15c pm	0.19
Belgian Fr	par-2c dis	-0.96	1c dis-2c pm	—
Danish Kr	2.00-2.50ore dis	-5.04	6.00-6.50ore dis	-4.67
D-Mark	0.96-0.91pf pm	5.67	2.93-2.88pf pm	5.98
Port. Esc	35-180c dis	-28.33	130-500c dis	-27.80
Lira	10-13 lire dis	-10.59	17-23 lire dis	-7.46
Nrwgn Kr	0.70-1.20ore dis	-2.21	3.00-3.50ore dis	-2.52
French Fr	0.40-0.60c dis	-1.38	0.75-1.00c dis	-0.80
Swedish Kr	0.20c pm-par	0.27	0.95-0.75c pm	0.77
Yen	1.20-1.10y pm	7.07	3.20-3.10y pm	6.60
Austria Sch	3.75-2.75gro pm	2.77	9.00-6.50gro pm	2.20
Swiss Fr	1.12-1.08c pm	8.67	3.27-3.23c pm	8.76

CURRENCY RATES

September 28	Special Drawing Rights	European Unit of Account
Sterling	0.649820	0.666203
U.S. dollar	1.27995	1.31197
Canadian dollar	1.52392	1.55056
Austrian schilling	18.0089	18.4577
Belgian franc	39.1793	40.1594
Danish krone	6.85797	7.03558
Deutsche Mark	2.48285	2.54637
Guilder	2.70059	2.76963
French franc	5.58058	5.72421
Lira	1054.35	1082.27
Yen	241.335	246.204
Norwegian krone	6.58022	6.75288
Peseta	92.4517	94.9956
Swedish krona	5.63818	5.77926
Swiss franc	1.92120	1.96860

CURRENCY MOVEMENTS

September 28	Bank of England Index	Morgan Guaranty changes %
Sterling	62.78	- 41.0
U.S. dollar	83.82	- 9.1
Canadian dollar	79.33	- 18.0
Austrian schilling	141.33	+ 17.5
Belgian franc	112.93	+ 13.3
Danish kroner	115.12	+ 5.0
Deutsche Mark	144.81	+ 37.6
Swiss franc	215.38	+105.9
Guilder	120.87	+ 18.0
French franc	98.32	- 6.2
Lira	55.98	- 47.2
Yen	153.65	+ 51.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Sept. 28	£	$		£ Note Rates
Argentina Peso	1,695-1,699	859.09-861.12	Austria	27.25-28.25
Australia Dollar	1.6986-1.7056	0.8640-0.8651	Belgium	62.5-63.5
Finland Markka	7.91-7.925	4.0170-4.0190	Denmark	10.50-10.65
Brazil Cruzeiro	37.32-38.32	18.91-19.42	France	8.55-8.65
Greece Drachma	71.518-73.063	36.15-37.05	Germany	3.75-3.85
Hong Kong Dollar	9.35-9.37	4.7500-4.7530	Italy	1590-1640
Iran Rial	136-142	68.93-71.97	Japan	371-381
Kuwait Dinar (KD)	0.532-0.542	0.2696-0.2747	Netherlands	4.10-4.20
Luxembourg Franc	60.25-60.35	30.51-30.52	Norway	10.08-10.18
Malaysia Dollar	4.48-4.50	2.2800-2.2850	Portugal	92-108
New Zealand Dollar	1.8508-1.8598	0.9412-0.9438	Spain	142½-147½
Saudi Arabia Riyal	6.51-6.61	3.30-3.35	Switzerland	2.90-3.00
Singapore Dollar	4.48-4.50	2.2300-2.2310	United States	1.9675-1.9775
South African Rand	1.70225-1.72827	0.8628-0.8760	Yugoslavia	39.3-41.0

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Sept. 28	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.975	3.830	374.0	8.590	2.990	4.160	1624.	2.333	60.30
U.S. Dollar	0.507	1.	1.941	189.6	4.354	1.515	2.108	825.2	1.182	30.56
Deutsche Mark	0.261	0.515	1.	97.65	2.243	0.781	1.086	424.1	0.609	15.74
Japanese Yen 1,000	2.674	5.275	10.24	1000.	22.97	7.995	11.12	4343.	6.238	161.2
French Franc 10	1.164	2.297	4.459	435.4	10.	3.481	4.843	1891.	2.716	70.20
Swiss Franc	0.334	0.660	1.281	125.1	2.873	1.	1.391	543.2	0.780	20.17
Dutch Guilder	0.240	0.474	0.921	89.90	2.065	0.719	1.	390.4	0.561	14.50
Italian Lira 1,000	0.616	1.215	2.358	230.3	5.289	1.841	2.561	1000.	1.436	37.12
Canadian Dollar	0.429	0.846	1.642	160.3	3.682	1.282	1.783	696.2	1.	25.85
Belgian Franc 100	1.658	3.272	6.352	620.2	14.25	4.959	6.89	2694.	3.869	100.

EURO-CURRENCY INTEREST RATES*

Sept. 28	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	8½-9	8⅝-8¾	8¼-9¼	—	⅜-1⅛	3⅛-3½	12-12½	10½-26½		1¼-3⅛
7 day's notice	11⅞-11⅞	8½-8¾	8¼-9¼	—	⅜-½	3½-3½	9½-10	18-28	9-8⅞	1-3
Month	12¼-12⅝	8½-8⅞	8½-9⅛	10⅜-10⅞	½-⅝	3⅜-3½	9-9¼	16-22	9⅛-9¼	1⅞-2⅛
Three months	13-13⅜	9½-9⅝	9⅛-9⅞	10⅜-10⅞	⅞-1⅛	3⅝-3⅞	9⅛-9⅞	15-18	9⅜-9⅝	2⅞-3⅛
Six months	13⅛-13½	9½-9⅞	9⅛-9⅞	9¼-9½	1-1⅛	3⅝-3⅞	10-10¼	14½-16½	9-9⅞	3⅛-3½
One year	15-13⅜	9⅞-9⅞	9⅝-9⅞	9-9¼	1⅛-1⅜	3⅞-3⅞	10¼-10½	15-17	9-9⅞	3⅜-3⅝

The following nominal rates were quoted for London dollar certificates of deposit: one month 9.15-9.05 per cent; three months 9.50-9.40 per cent; six months 9.60 per cent; one year 9.75-9.65.

Long-term Eurodollar deposits: Two years 9⁹⁄₁₆-9¹¹⁄₁₆ per cent; three years 9⁹⁄₁₆-9¹¹⁄₁₆ per cent; four years 9⁹⁄₁₆-9¹¹⁄₁₆ per cent; five years 9⁹⁄₁₆-9¹¹⁄₁₆ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Further U.S. prime rate moves

More U.S. banks increased their prime rates from 9½ per cent to 9¾ per cent following the trend started by First National Bank of Chicago on Monday. Several sources have recently predicted a prime rate of 10 per cent and this was given more substance yesterday when New York's Chemical Bank raised its broker loan rate to 9¾ per cent from 9½ per cent. In the past such an increase has usually preceded a further boost in prime rates. The prime rate at 9¾ per cent is at its highest level since January, 1975. The recent shortage of liquidity continued yesterday and with Federal funds trading at 8⅞-8⁹⁄₁₆ per cent. The Federal reserve entered the market to make overnight and four-day repurchase agreements in an effort to ease the situation. This was in addition to the earlier announced four and seven-day repurchase orders. Thirteen-week Treasury bills fell to 7.81 per cent against 7.90 per cent late Wednesday while 26-week bills eased to 8.26 per cent from 8.29 per cent. One-year bills also fell to 8.14 per cent compared with 8.17 per cent.

BRUSSELS—Following Wednesday's sharp rise ahead of a possible increase in the official discount and Lombard rates, deposit rates for the Belgian franc (commercial) fell back to around Tuesday's levels, after the central bank left the two key lending rates unchanged. One-month deposits were quoted at 7½-7¾ per cent and three-month at 7⅝-7⅞ per cent. The six-month rate stood at 7⅞-8 per cent with 12-month deposits at 7⅞-8⅛ per cent.

PARIS—Interbank money market rates were generally weaker with call money at 7 per cent compared with 7¼ per cent on Wednesday and one-month money at 7¼-7⅜ per cent against 7⅜-7⁷⁄₁₆ per cent previously. The three-month rate eased to 7⁷⁄₁₆-7⁹⁄₁₆ per cent from 7½-7⅝ per cent and six-month money was lower at 7⅞-8 per cent against 8⅛-8⅛ per cent. The 12-month rate showed little change at 8⅛-8⅜ per cent.

AMSTERDAM—Dutch call money was sharply firmer at 8-9 per cent compared with 6⅛-6⅜ per cent on Wednesday. Longer-term rates were firmer throughout with one-month money at 9-9¼ per cent from 8-8½ per cent and three-month at 9-9¼ per cent against 8⅞-9 per cent. The six-month rate was also firmer at 9-9½ per cent from 8⅞-9½ per cent previously.

FRANKFURT—Interbank money market rates were mostly unchanged although 12-month money was firmer at 4.2-4.3 per cent compared with 4.15-4.2 per cent on Wednesday.

HONG KONG—Conditions in the money market were flat with call money at 6¼ per cent and overnight business dealt at 5½ per cent.

UK MONEY MARKET

Free credit supply

Bank of England Minimum Lending Rate 10 per cent (since June 8, 1978)

Day to day was in good supply in the London money market yesterday and the authorities helped drain the surplus by selling a large amount of Treasury bills all direct to the discount houses. The latter paid 8-8¼ per cent for secured call loans at the start but closing balances were taken at 7¼-8¼ per cent which seems to suggest that banks balances today should be well above target.

The market was helped by a modest excess of Government disbursements over revenue transfers to the Exchequer and a moderate decline in the note circulation. There was also further small payments in respect of Exchequer 5 per cent 1976-78 and banks brought forward balances some way above target.

On the other hand there was a modest net take up of Treasury bills.

In the inter-bank market overnight loans opened at 8¼-8½ per cent and fell on the forecast of a surplus to 7-7½ per cent. Rates soon firmed, however, to 8-8½ per cent and money became more expensive with closing balances taken at 9-9½ per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Sept. 28 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	7-9½	—	—	—	8¼	7¼-8½	—	—	—
2 days notice	—	—	8⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	8⅞	—	—	—	—
7 days notice	—	8⅛-8⅞	8⅞-9	—	9⅛-9¼	—	8-8½	—	—	—
One month	9⅛-9	8⅞-9⅛	8⅞-9⅛	9-9¾	9⅝	9½	9½-8⅝	8⅞-8⅞	9⅛-9⅛	9½
Two months	9¼-9⅛	9¼-9⅜	—	9⅜-9⅝	9⅝	—	9-9½	9	9¼	9½
Three months	9½-9⅜	9⅜-9⅝	9¼-9⅜	9⅜-9⅝	9⅞	9⅞	9⅛-9¼	9⅛-9⅛	9⅛-9⅝	9⅝
Six months	10-9¾	9¾-10	9½-9⅝	9⅝-9¾	10⅛	—	—	—	9⅝	9⅞
Nine months	10-9⅞	9⅞-10⅛	—	9⅞-10¼	10⅛	—	—	—	—	—
One year	10-9⅞	10-10⅛	10-10⅛	10-10⅜	10⅝	—	—	—	—	—
Two years	—	—	10¾-11⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 11-11½ per cent; four years 11⅜-12⅛ per cent; five years 12-12⅛ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9¾ per cent; four-month trade bills 9⅞ per cent.

Approximate selling rates for one-month Treasury bills 8¹³⁄₁₆ per cent; and two-month 8⅞-8²⁹⁄₃₂ per cent; three-month 8¹⁵⁄₁₆ per cent. Approximate selling rate for one-month bank bills 9¹⁄₃₂ per cent; two-month 9⅛ per cent; and three-month 9⁵⁄₃₂ per cent. One-month trade bills 9 per cent; two-month 9⅞ per cent; and also three-month 9⅜ per cent.

Finance House Base Rates (published by the Finance Houses Association) 10 per cent from September 1, 1978. Clearing Bank Deposit Rates (for small sums at seven days' notice) 6.7 per cent. Clearing Bank Base Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount 8.8887.

GOLD

Firmer trend

Gold rose $2 to $217-217½ in quiet trading. It opened at $217½-$218½, and was fixed at $217.45 (£110.314) in the morning and $217.90 (£110.497) in the afternoon.

In Paris the 12½-kilo gold bar was fixed at FFr 29,890 per kilo ($213.22 per ounce) in the afternoon, compared with FFr 29,900 ($213.05) in the morning, and FFr 29,800 ($212.34) Wednesday afternoon. In Frankfurt the 12½-kilo bar was fixed at DM 13,555 per kilo ($217.16 per ounce), compared with DM 13,510 ($216.77) previously.

	Sept. 28	Sept. 27
Gold Bullion (a fine ounce)		
Close	$217-217½	$216-216½
Opening	$217½-218½	$216½-217
Morning fixing	$217.45 (£110.314)	$217.15 (£109.872)
Afternoon fixing	$217.90 (£110.497)	$214.80 (£109.056)
Gold Coins domestically		
Krugerrand	$225½-227½ (£114½-115½)	$224½-226½ (£114-115)
New Sovereigns	$61½-63½ (£31½-32½)	$62-64 (£31½-32½)
Old Sovereigns	$61-3 (£31-32)	$60-2 (£30½-31½)
Gold Coins internationally		
Krugerrand	$224-226 (£113½-114½)	$222-224 (£112½-113½)
New Sovereigns	$60-62 (£30½-31½)	$59-61 (£30-31)
Old Sovereigns	$61-63 (£31-32)	$60-62 (£30½-31½)
$20 Eagles	$306½-309½	$308½-311½
$10 Eagles	$163½-166½	$163-168
$5 Eagles	$114-117	$112-117

MONEY RATES

NEW YORK

Prime Rate	9.5-9.75
Fed Funds	8.875
Treasury Bills (13-week)	7.81
Treasury Bills (26-week)	8.26

GERMANY

Discount Rate	3
Overnight	3.525
One month	3.625
Three months	3.725
Six months	4.025

FRANCE

Discount Rate	9.5
Overnight	7.0
One month	7.3125
Three months	7.50
Six months	7.9735

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.125
Bills Discount Rate	4.625

Europe's managers start to get organised

BY MAURICE GREEN

THROUGHOUT Europe managers and professional technologists are showing growing awareness of the need to be organised and represented by a powerful body, capable of protecting their interests and making their views known.

In all European countries the interest in managerial and professional unionisation has grown as a result of concern over the erosion of salary differentials, fears of redundancy, a loss of belief in top management's ability to protect its middle and line managers, loss of authority by managers faced with manual unions' militancy, and the increasing volume of legislation which restricts many rights solely to members of trade unions.

Significantly the various managerial organisations have formed an international organisation — the Confederation Internationale des Cadres (CIC). As the only international body co-ordinating the activities of managerial, professional and staff unions, it maintains a permanent presence in Geneva, where it has consultative status to the Council of Europe and in Brussels where it is consulted by all the major Common Market Commissions. It plans to maintain a permanent lobby at the European Parliament in Strasbourg.

Its membership includes managerial organisations in France, Belgium, Holland, Germany, Italy and Denmark, but not, so far, the UK. In addition federations of managerial unions in particular "multi national" industries such as chemicals, mining, metal, transport and agriculture are in membership. Insurance, textiles, food, and social services federations are in course of being formed.

Clearly, the managers of Europe are taking a leaf from the manual workers' book and with the increasing mobility of managers within the Common Market and the multi-national companies their international organisation will become increasingly important.

In Britain the organisation of managers and professional staffs is still at its earliest stage. The British Institute of Management is not a member of the CIC because it has rejected any trade union role for itself.

Science-based

Although many trade unions in Britain have sections for white collar workers, so far the only non-TUC affiliated organisation specifically designed to represent all managers and professionally qualified employees at national and local level is the 10,000-strong Association of Management and Professional Staffs. At the moment its main membership is among senior employees of ICI, and in other science based industries.

Under a pay policy which has reduced managers' differentials and purchasing power, while increasing those of the lower paid, a tax system which penalises initiative and incentive, union militancy, and the ever present threat of redundancy, British managers are becoming increasingly aware of the need for strong representation in an environment where the Government co-operates with the TUC and its manual union dominated leadership.

The Association of Managerial and Professional Staffs is affiliated to the Managerial and Professional Staffs Liaison Group, which includes the British Medical Association, the Banks Staff Associations, the UK Association of Professional Engineers and other professional bodies. The group's purpose is to ensure that the views of the professional workers are made known to Government and heeded in the same way as the TUC is the voice of the multi-million member manual unions. It has twice sent observers to meetings of the CIC.

In Holland an Act of Parliament in 1950 made it a legal requirement for all employees to be represented by a trade union. This resulted in many exclusively managerial organisations being formed on a company or "in house" basis, but no general union for managers emerged, although a national federation was formed.

This grew rapidly in the early 1970s as managers became aware of a growing need for collective representation. In 1973 the National Social Contract gave added impetus to the growth, when increases were given to the lower paid and to managers' reduced differentials.

The Dutch manual unions actually claimed that the purchasing power of managers should be reduced to give more to the lower paid and claimed the right to negotiate for all employees including managers. This accounts for the rapid growth of the national federation of managers which is now affiliated to the Council for Middle and Senior Staff. This is recognised and consulted by the Dutch Government and has a seat on the National Social and Economic Council.

Finland has gone furthest along the road to a national union of managerial and professional employees with 80 per cent of managers in membership of AKAVA, the central organisation of professional associations.

It is politically independent, steadily increasing its influence and authority and is recognised by government and employers as the organised voice of managerial and professional workers.

It negotiates national agreements for public employees but leaves its constituent associations to negotiate in the private sector. It is regarded with some suspicion by the two other "white collar" unions representing technicians and supervisors, clerical workers and junior executives.

Although unions tend to be small in France they are grouped into industrial federations or cadres by particular industries and these pack a great deal of "clout" with government and employers. The Confederation Generale des Cadres has a membership limited to salaried staffs and unions for managerial and professional workers. It also covers unions representing executives and supervisors and some which cater for both. Founded in 1944, it represents members in the chemical and food industries, engineering, banks, insurance and commerce, with about 300,000 members in 70 unions.

Although each retains its autonomy the confederation will put its considerable weight behind any constituent union. It has also negotiated collective national agreements for many industries and although consulted by government is politically neutral, non-militant and clearly increasing its influence.

Its aims and objects are almost identical to those of the Management, Professional and Staff Liaison Group in Britain, and it is quite clearly the union of choice for the non-political, non-militant manager, professional or staff worker.

Surprisingly in Germany, so often cited as the example of industrial harmony, there is a considerable battle going on over the definition and position of managers.

There are three organisations for managers: the Deutsche Gewerkschaftsbund (DGB), the Deutsche Angestelltengewerkschaft (DAG), and the Union den leitenden Angestellten (ULA) a confederation of registered unions operating in the private sector only, with 39,700 managers in a wide variety of industries.

The DGB and DAG do not differentiate between different grades of members and see works councils which have extensive legal powers as the means to represent all employees.

Industrial democracy has been in existence in Germany for some time and in 1976 ULA won the right to appoint specific manager representatives to sit on supervisory boards in all companies with more than 2,500 employees.

There is a constant battle between ULA, the DGB and DAG which claim ULA is "elitist" and not entitled to any separate voice.

The paternalistic trust between managers and employers in Denmark was severly damaged by the 1973 economic crisis. Since then managers have organised and are working towards a single union for managers and professionals.

Salary review

Even without full trade union representation Danish managers succeeded in 1977 in obtaining an agreement which conceded an annual salary review to maintain differentials over other grades of workers, facilities for further education and training, and the right to organise collectively and strike. This resulted in the formation of the Danish Organisation of Managers, with 25,000 members.

Not surprisingly socialist Sweden has the highest degree of managerial unionisation—at least 80 per cent. This compares with union membership of 90 per cent of the manual workforce. A central organisation for salaried employees caters for non-manual workers and has a membership of about 1m.

More than half the total working population of 4m are employed by the Government or government-controlled organisations. Thus the public sector dominates the managerial union scene.

In the private sector, managers either join unions affiliated to the central organisation for non-manual workers or exclusively management unions. These form part of a confederation known as SACO with 80,000 managerial and professional members in 26 unions. There is also a national federation of salaried employees.

In contrast to Sweden's virtual union monopoly, Switzerland has almost no unionised managers and it seems unlikely that there ever will be. Swiss managers seem to identify their interests almost totally with those of their companies.

Austria has no exclusively managerial and professional unions. The Austrian Trade Union Federation is highly centralised with about 60 per cent of the working population in membership. It represents workers at all levels, including managers, although it excludes the "top layer."

Under the law all workers are subject to collective agreements negotiated nationally by the federation.

Not surprisingly middle and line managers are unhappy about this situation and are increasingly agitating to be freed from these constraints and negotiate separately in their own companies.

In Italy about 45,000 managers are organised in the Confederazione Italiana Dei Dirigent Di Azienda, which is recognised and consulted by the Government with representatives on national committees concerned with employment, salaries and conditions, with considerable influence on government action and policies.

Belgium, too, has an influential managerial national federation made up of a number of specialist unions.

The managers of Europe clearly want to throw off the constraints which have prevented them from protecting their position in face of the steady erosion of their financial and professional standing in industry.

The author, Dr. Maurice Green, is president of the Association of Management and Professional Staffs (formerly the Association of Professional Scientists and Technologists)

Surveyors Consultancy Services

(Principal: Ian L. Brown MBIM)

announce that as from MONDAY, 2nd OCTOBER, 1978 their new address will be

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(telephone numbers 01-405 0732 and 01-405 8841 remain unchanged)

Mr. Neil O. MacLeay (formerly Administrative Secretary RICS and latterly Secretary, Architects Benevolent Society) has been appointed Associate Partner as from the same date.

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Telephone Bristol (STD Code 0272)
Register enquiries 290711
Other matters 297144

LCH

The quarterly report as of 30th June, 1978 of

Leveraged Capital Holdings N.V.

has been published and may be obtained from

PIERSON, HELDRING & PIERSON N.V.,
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TH Technische Hogeschool Delft

The School of Industrial Design Engineering of the Delft University of Technology in the Netherlands educates bachelors and masters in industrial design engineering, both degrees together requiring a five-years course. The educational programme is multidisciplinary and relatively young.

It specialises in product-development and innovation management and has selected mass-produced consumer durables as a target area. Because of expansion and fundamentalisation the school made a new chair for a

Full Professor of Product-Innovation-Management

to head the new section of Management of Product-development. Three other sectors exist already in the School: construction and production, formgiving, ergonomic product development. The new section is to teach and research, regarding the organisation of industrial product development, both with its internal and external aspects and attuned to the education of industrial design engineering. Within this framework the new professorship is to cover the innovation of products and its relations with corporate strategy and how to plan and organise it. General socio-economic issues concerning energy, materials and environment should also be taken into account.

Requirements are: at least a master's degree, a thorough theoretical knowledge and several years of experience in management of product-innovation. The new professor should have the ambition to expand, fundamentalise and make applicable this knowledge and experience for the education of this engineer. It belongs to the task of the professor to lecture, to do and to supervise research and to initiate and coach innovation projects and theses. For these tasks it is a necessity to cooperate with industry and with other departments of the University. To this section belongs a Reader in Marketing and about seven persons of an expanding scientific staff.

The professor is supposed to participate in some administrative and managerial duties of his section and of the school.

Also those who know of suitable candidates are kindly requested to notify the chairman of the vacancy committee.

Further information can be given by this chairman, Reader G.H.A. van Eyk, M.E., and by the School's Dean, prof. dr. J.M. Dirken.

The gross salary of a dutch full professor is between Dfl. 6.679,— and Dfl. 10.488,— a month.

Those wishing to be considered for the appointment are invited to send a curriculum vitae, together with a review of any qualifications and/or experience which they consider to be relevant, to the Chairman of the Selection Board, Oude Delft 39a, Delft, The Netherlands.

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Banker Research Unit, the well known banking and research consultancy organisation of the Financial Times is looking for a Senior Editor to join its editorial staff. The successful applicant will be responsible for commissioning work, negotiating contracts, organising a staff of three, writing, editing and proof-reading, dealing with printers etc.

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LEGAL NOTICES

No. 002875 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of JAMES W. CARR AND CO. LIMITED and in the Matter of THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of September 1978, presented to the said Court by THE SHEFFIELD TWIST DRILL AND STEEL COMPANY LIMITED whose registered office is situate at Summerfield Street, Sheffield, S11 8HL, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 23rd day of October 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

SHARPE, PRITCHARD & CO.,
109, Kingsway,
London, WC2B 6PZ
Agents for: Broomheads & Neals,
Market Place, High Street,
Sheffield.
Solicitors for the Petitioner

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 20th day of October 1978.

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matters of:

No. 002931 of 1978
BROMLEY PLASTICS LIMITED
No. 002933 of 1978
A 1 BUILDERS & DECORATORS LIMITED
No. 002934 of 1978
MERVYN LEWIS & PARTNERS LIMITED

and in the Matter of The Companies Act, 1948

NOTICE IS HEREBY GIVEN that Petitions for the Winding-Up of the above-named Companies by the High Court of Justice were, on the 19th day of September 1978, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London EC3R 7HE and that the said Petitions are directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 30th day of October 1978, and any creditor or contributory of any of the said Companies desirous to support or oppose the making of an Order on any of the said Petitions may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of any of the said Companies requiring such copy on payment of the regulated charge for the same.

G. F. GLOAR,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE.
Solicitor for the Petitioners

NOTE.—Any person who intends to appear on the hearing of any of the said Petitions must serve on, or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 27th day of October 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matters of:

No 002936 of 1978
TARTAN CLEANERS LIMITED
No. 002937 of 1978
GLEN R. RUSSELL (BUILDERS) LIMITED

and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that Petitions for the Winding-Up of the above-named Companies by the High Court of Justice were, on the 19th day of September 1978, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London EC3R 7HE, and that the said Petitions are directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 30th day of October 1978, and any creditor or contributory of any of the said Companies desirous to support or oppose the making of an Order on any of the said Petitions may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of any of the said Companies requiring such copy on payment of the regulated charge for the same.

G. F. GLOAR,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE
Solicitor for the Petitioners

NOTE.—Any person who intends to appear on the hearing of any of the said Petitions must serve on, or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 27th day of October 1978.

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26	30	70	71	91	187	215	229	245	262
268	272	276	299	349	361	440	460	465	508
598	611	625	635	533	715	736	742	759	771
776	778	812	813	845	873	913	951	952	994
1007	1026	1062	1068	1108	1146	1164	1175	1179	1187
1192	1220	1223	1231	1266	1271	1308	1352	1358	1361
1399	1412	1499	1510	1531	1610	1631	1639	1653	1675
1716	1717	1770	1871	1894	1924	1950	1973	2024	2035
2037	2046	2102	2110	2120	2153	2169	2202	2204	2271
2280	2339	2343	2363	2382	2389	2394	2478	2509	2517
2522	2578	2617	2685	2701	2708	2737	2730	2852	2862
2865	2879	2907	2914	2922	2950	2964	2976	2979	2980
3011	3025	3031	3054	3059	3075	3087	3088	3093	3108
3109	3110	3130	3153	3168	3207	3245	3266	3274	3295
3347	3369	3370	3374	3379	3383	3391	3416	3421	3425
3436	3455	3500	3562	3586	3601	3602	3603	3620	3643
3649	3668	3717	3726	3772	3776	3797	3808	3822	3824
3830	3853	3868	3927	3988	4040	4058	4061	4098	4108
4109	4110	4149	4152	4164	4190	4196	4245	4272	4284
4300	4311	4326	4334	4388	4401	4405	4411	4425	4453
4455	4521	4552	4570	4573	4574	4590	4603	4616	4621
4626	4676	4692	4714	4749	4768	4775	4779	4802	4809
4810	4821	4823	4824	4847	4848	4851	4860	4885	4895
4925	4973	4977	4979	4987	4995	5008	5010	5011	5062
5072	5104	5107	5137	5138	5171	5172	5178	5184	5198
5208	5231	5232	5239	5261	5270	5305	5312	5324	5372
5415	5447	5491	5526	5616	5658	5667	5683	5699	5717
5722	5740	5799	5811	5830	5836	5866	5881	5909	5924
5937	5942	5971	5979	6005	6050	6128	6162	6178	6206
6241	6272	6275	6279	6286	6293	6311	6333	6352	6353
6403	6443	6494	6497	6513	6532	6536	6571	6572	6582
6583	6634	6636	6670	6671	6686	6744	6746	6751	6790
6796	6803	6867	6870	6890	6908	6921	6936	6967	6992
7005	7022	7030	7045	7046	7051	7122	7176	7305	7306
7353	7357	7364	7400	7409	7418	7451	7433	7447	7456
7459	7474	7524	7548	7549	7563	7616	7625	7626	7631
7636	7637	7684	7705	7738	7751	7761	7766	7778	7856
7888	7893	7914	7924	8007	8022	8027	8030	8036	8052
8077	8117	8120	8128	8166	8172	8189	8191	8220	8253
8286	8290	8301	8321	8327	8331	8363	8365	8366	8368
8449	8485	8522	8559	8580	8581	8606	8689	8702	8791
8797	8831	8835	8844	8852	8854	8892	8902	8928	8937
8990	9012	9021	9040	9050	9058	9081	9095	9103	9134
9157	9170	9203	9206	9209	9238	9240	9248	9293	9353
9372	9393	9442	9445	9459	9496	9506	9535	9547	9548
9557	9573	9580	9606	9627	9643	9736	9765	9795	9817
9838	9849	9858	9894	9925	9941	9942	9943	9984	9996
10005	10009	10036	10050	10069	10072	10095	10100	10102	10127
10166	10173	10193	10221	[illegible]	10238	10247	10279	10290	10320
10328	10332	10375	10379	10389	10440	10455	10508	10510	10557
10627	10707	10725	10759	10806	10820	10822	10864	10868	10873
10936	10937	10939	10948	10966	10987	10991	11008	11010	11022
11080	11100	11117	11119	11140	11178	11236	11293	11328	11350
11355	11369	11403	11412	11425	11477	11478	11526	11535	11567
11591	11607	11613	11617	11619	11623	11660	11672	11683	11717
11718	11739	11779	11819	11847	11873	11888	11912	11917	11928
11933	11937	11948	11979	11993	12012	12042	12098	12158	12164
12179	12225	12230	12236	12237	12269	12291	12304	12310	12344
12345	12349	12352	12433	12444	12471	12487	12542	12544	12551
12576	12596	12606	12629	12658	12669	12734	12742	12784	12908
12814	12827	12828	12833	12842	12847	12861	12893	12889	12897
12951	12952	12964	12973	12996	12997	13041	13061	13070	13077
13090	13132	13135	13154	13178	13214	13253	13287	13312	13313
13357	13363	13386	13397	13399	13405	13410	13419	13445	13447
13472	13491	13525	13568	13609	13651	13656	13658	13723	13724
13734	13747	13753	13758	13780	13781	13782	13783	13832	13874
13889	13890	13932	13994	14003	14016	14053	14073	14082	14093
14118	14121	14150	14162	14192	14193	14204	14235	14245	14251
14271	14288	14307	14324	14350	14381	14387	14411	14415	14428
14442	14454	14466	14508	14501	14504	14551	14559	14581	14549
14654	14665	14683	14702	14725	14738	14739	14740	14749	14767
14780	14787	14797	14820	14840	14850	14859	14885	14896	14913
14921	14943	14953	14962	14966	15020	15028	15049	15080	15090
15135	15164	15171	15178	15226	15241	15288	15293	15320	15325
15327	15342	15345	15366	15406	15411	15415	15472	15477	15497
15530	15534	15538	15543	15555	15565	15573	15582	15584	15597
15595	15619	15622	15624	15651	15658	15699	15719	15720	15722
15732	15754	15774	15790	15795	15796	15800	15807	15829	15839
15881	15894	15918	15922	15923	15925	15954	15969	15979	16025
16084	16141	16144	16157	16246	16281	16312	16347	16354	16386
16402	16405	16415	16424	16443	16444	16446	16469	16490	16492
16504	16517	16518	16567	16605	16632	16655	16657	16681	16683
16694	16711	16723	16741	16752	16779	16780	16783	16839	16852
16854	16861	16873	16900	16932	16943	16954	16979	16990	17003
17013	17037	17040	17048	17063	17069	17078	17108	17121	17154
17172	17179	17181	17186	17188	17199	17213	17243	17272	17285
17337	17354	17391	17393	17399	17413	17414	17437	17503	17522
17531	17533	17545	17554	17555	17570	17573	17590	17592	17597
17608	17609	17647	17660	17674	17724	17764	17775	17790	17801
17850	17852	17906	17914	17930	17960	18018	18037	18091	18104
18119	18120	18121	18134	18136	18152	18153	18187	18207	18218
18231	18235	18266	18284	18301	18312	18313	18374	18384	18400
18401	18441	18504	18517	18523	18530	18579	18582	18602	18611
18628	18648	18650	18653	18660	18680	18699	18722	18737	18747
18753	18784	18794	18806	18811	18813	18820	18821	18834	18876
18914	18918	18940	18952	18974	19051	19068	19091	19162	19191
19135	19192	19195	19230	19248	19270	19307	19327	19359	19374
19380	19383	19429	19455	19462	19463	19464	19475	19478	19502
19564	19611	19621	19669	19683	19706	19725	19747	19751	19757
19777	19802	19807	19835	19886	19894	19918	19931	19976	19985

Bonds drawn US $1 000 000

29th September 1978

COMPANY NOTICES

$US30,000,000—SOCIETE NATIONALE ELF AQUITAINE
(ANC. STE. NATIONALE DES PETROLES D'AQUITAINE)

10% LOAN 1975-1985

$US2,400,000 of the issue due for redemption on 1st November 1978 was drawn by lot on 7th September 1978 in the presence of a Notary.

BOND NUMBERS DRAWN
23169 to 25568 inclusive

Amount outstanding after 1st November, 1978: $US25,200,000. The bonds which have been drawn will cease to bear interest on 1st November 1978. Bonds presented for repayment must be complete with coupons for 1st November 1979 and following attached and will be payable in accordance with the conditions shown on the bonds.

BOND NUMBERS REPAYABLE AND NOT YET PRESENTED FOR PAYMENT
REPAYMENT OF 1st November 1976: 6558 6636 6637 6638
REPAYMENT OF 1st November 1977: 4987/5026 6111/20 5132/38 5304/07 5317/18 5511/13 5526/27 5573/78 5784/86 5832/47 6102/105 6107

The Fiscal Agent
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POUR LE GRAND-DUCHE DE LUXEMBOURG

SVERIGES INVESTERINGSBANK AB
(Swedish Investment Bank Limited)

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29th September, 1978

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CONTRACTS AND TENDERS

GOVERNMENT OF MAURITIUS

MINISTRY OF AGRICULTURE AND NATURAL RESOURCES AND THE ENVIRONMENT

BULK SUGAR TERMINAL — PORT LOUIS

SUGAR BOXES

CONTRACT NO. 19

Tenders closing at 1.30 p.m. on Wednesday, 6th December, 1978 are invited for the following works for the Bulk Sugar Terminal at Port Louis, Mauritius, in accordance with the Specification and General Conditions of Contract for Contract No. 19

The Contract is for the manufacture, supply, painting and delivery to site of 150 or 200 or 250 structural steel framed and aluminium lined bulk sugar boxes of approximately 7.75 cu.m. capacity.

Drawings, Specification and General Conditions of Contract may be examined at the offices of the Consulting Engineers, Macdonald Wagner & Priddle Pty. Ltd., at Port Louis, Mauritius and at North Sydney, N.S.W., Australia, and also at the Mauritius High Commission, 32/33 Elvaston Place, London, S.W.7, England, and the Mauritius Embassy, 68 Boulevard de Courcelles, 75017, Paris, France

Sets of Drawings, Specification and General Conditions of Contract for companies registered in Mauritius may be obtained from Macdonald Wagner & Priddle Pty. Ltd., Rogers Automotive Building, Cnr. Edith Cavell & Mere Barthelemy Streets, Port Louis, and for companies registered in all other countries they may be obtained only from Macdonald Wagner & Priddle Pty. Ltd., 100 Miller Street, North Sydney, N.S.W. 2060, Australia—Telex No. 20836. The non-refundable charge for each set of documents obtained in Mauritius is 450 Mauritian Rupees and 60 Australian Dollars in Australia.

Envelopes endorsed "Tender for Contract No. 19—Sugar Boxes, Bulk Sugar Terminal—Port Louis" and containing a Tender accompanied by a Tender deposit are to be addressed to the Chairman Tender Board, Ministry of Finance, Port Louis, Mauritius and lodged in the Tender Box, at the Chief Cashier's Office, Accountant General's Division, Treasury Building, Chaussée, Port Louis, Mauritius or posted from overseas to reach the Chairman, Tender Board, Ministry of Finance, Port Louis, Mauritius on or before the closing time and date.

The Tender Board does not bind itself to accept the lowest or any tender and will not assign any reason for the rejection of a tender.

Ministry of Agriculture &
Natural Resources & The Environment

The Property Market

BY MICHAEL CASSELL

Bullish outlook for investors

THE DISSATISFACTION surrounding accountancy procedures common to the property sector have overshadowed a major, positive advantage which companies are obtaining and which, with the impact of rent reviews and rising values, should help enhance their already improving investment status.

The view comes from the research arm of brokers Vickers da Costa which today publishes its quarterly property review.

According to the review, most property groups are well on the road to full financial recovery but their status from the investors' point of view has been marred by the continuing controversy over the sticky question of accountancy methods: In particular, over the past year or so there had been some dispute as to whether companies should make full depreciation provision in the profit and loss account, as recommended by the Accounting Stndards Committee.

Although this would not affect a company's cash flow, it could result in losses at pre-tax levels.

An airing has not been given, however, to the considerable tax benefits assolcated with capital allowances and which many companies are increasingly obtaining.

The brokers calculate that up to one-third of the building cost of a modern office building can be eligible for a 100 per cent. capital allowance.

In addition, where property companies are undertaking joint developments with institutions who may not have any Corporation Tax liability against which capital allowance can be set, the company can obtain the allowance on the whole project.

The ability of development companies to get these allowances, says the report, means that many of them are achieving below average tax payments, a situation which is likely to grow as development activity increases.

The market had not yet recognised the improvement in property companies' cash flow that would result from reduced tax rates.

Continuing on its bullish path, the report says that companies are now structuring their profit mix to take maximum advantage of allowances.

Bunching

With an expected improvement in profitability levels, deriving from a bunching of rent reviews and the tendency for reviews to shorten, the companies' attractiveness from an investment angle should improve and a narrowing of discounts to asset values should also follow.

Although the dispute with the Accountancy Standards Committee seemed unlikely to be resolved quickly, companies were likely to go some way towards placating their critics by giving annual valuations.

Vickers da Costa says it suspects institutional investors will again look on property shares as an attractive vehicle for taking a stake in property and says why it believes the sector will be a dominant performer "at some stage over the next two or three years."

Rents would be rising in real terms and rising faster than dividends on industrial shares: the ratio of yields on property shares to yields on industrials would be closer to 1 than 0.5: there would have been a preceding rise in the ratio of yields on property itself to yields on industrials and, finally, the gilt-edged market was unlikely to be on a strong "bull" trend.

On the prospects for rents in the London area, Vickers do Costa says the continued high levl of letting for office space is bringing about the predicted shortage of space much sooner than most ob srever had anticipated.

The yestimate that City rents will reach £17 a sq ft by the end of this year, and that individual rents will go above that level.

Nevertheles, in general terms Vickers do Costa says it is only looking for a gradual increase in London office rents because most of the recent moves have involved large Corporations consolidating their existing space, combined with better facilities in the form of increased space per sq ft per employee.

In this context, big companies appear happy to pay around £12 to £14 per sq ft, and it is only in certain prestige positions in the City and Mayfair that well above average rents are being achieved.

In Brief . . .

● THINGS are looking up down under, according to a review of the Australian property market just published by Jones, Lang, Wootton.

There has, says the review, been a marked recovery in the property investment market, where the lowering of yields, a reduction in mortgage interest rates and increased letting activity have led to strong competition for prime space of all types from national and international funds.

Although there was a shortage of office space in some major cities, there had been virtually no movement in rental levels, which were still below the level needed to make new schemes viable.

The market bore a strong resemblance to that in the UK and with the continuing recovery of the Australian economy after the recent tough budget, there were again good property investment opportunities in nearly all sectors.

Yields for prime properties had hardened by about a half per cent and were: offices —6½ to 8½ per cent; industrials—9 to 11½ per cent: shops—7 to 11 per cent.

● ON TO A BUSY London office market this week comes 150,000 sq ft of floorspace at Devonshire House, Piccadilly. Since 1967, the building has housed British Petroleum who held a lease from Winchester House Property, a subsidiary of Distillers.

One of the largest complete office areas available in the UK, hopes are high for a single tenant. He will have to find £1½m a year rental exclusive on a lease for a term expiring in 1996, but then, how many companies have a tube train arriving in the basement every 30 seconds during the day? Agents: Fuller Peiser and John D. Wood.

● FULL DETAILS this week of the five office blocks due to be vacated because of the impending move of Fluor (Great Britain) which was recently mentioned in this column. The UK arm of the American design engineering giant moves into British Rail's Euston Square development in the spring and, so releases 167,400 sq ft of office space onto the market.

Fluor says it is prepared to consider assignments or sub-letting arrangements for the five properties, which should be available by March 1979.

Although only one of the properties—Blackfriars House in New Bridge Street—is technically in the City, the other four come close enough to justify a "City" tag.

Neither do agents White Druce and Brown, who have advised Fluor for seven years, waste the point that the properties attract Islington rather than City rates.

A reminder of the properties: Finwell House, Finsbury Square —69,250 sq ft, first review 1980 then 1983. 119, Finsbury Pavement—36,900 sq ft, first review 1981 then 14 years. Blackfriars House—30,650 sq ft, first review 1981 then 5 years. 54, Wilson Street—15,500 sq ft, first review 1980 then 5 years and, the Fluor "Flagship," 32, City Road—15,100 sq ft, first review 1983 then every five years.

● GRAND METROPOLITAN Pension Fund has acquired a modern reversionary office and shop investment at Crown Hill, Croydon, from Intereuropean Property Holdings.

Grand Met has also bought four new warehouse units on the Glebe Farm industrial estate near Rugby with an annual income of about £65,000. Both investments were handled for Grand Met by Barnett Baker. The combined purchase price was £1.4m.

● MOTHERCARE, according to the jingle, goes up to ten, but tomorrow it opens its 173rd store in the UK in Oxford Street. The latest addition to the growing chain of baby and child wear outlets will be followed in the next two months by new stores in Clydebank, Aldershot, Hammersmith and Tunbridge Wells.

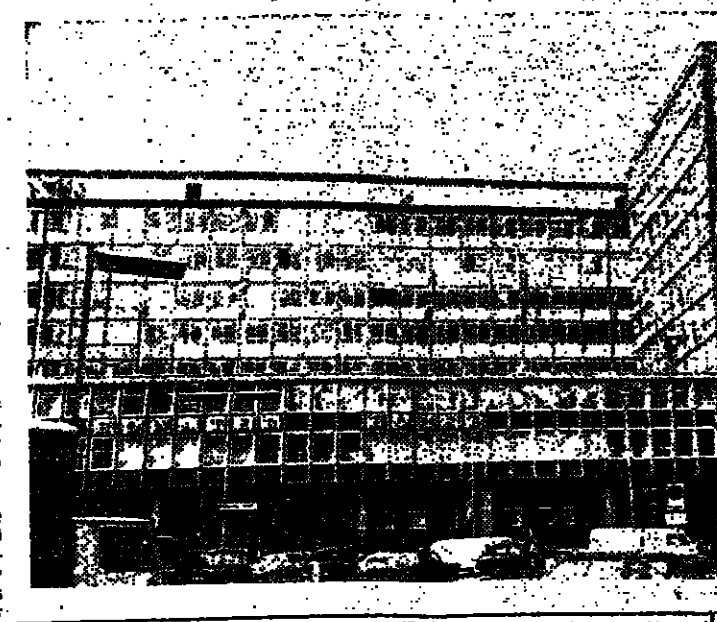
In Europe, a second Dutch store opens next month in Rotterdam and the Amsterdam outlet has been enlarged. A second Belgian store is due next spring and another 11 outlets are planned soon for the U.S.

● NATIONAL MAGAZINE, a wholly owned subsidiary of the Hearst Corporation of America, has taken a 25-year lease at a rent of over £10 a square foot on 52,000 sq ft of office space in the Electricity Supply Nominees office-retail-residential development known as Midmark in the Mecca of the 60's — Carnaby Street.

● WHEATSHEAF Investments, part of the Grosvenor Estate, has let its new 14,000 sq ft office development at 35 Grosvenor Street to Baroid Overseas, a subsidiary of American conglomerate NL Industries. A rental of £167,500 a year exclusive was quoted, but the terms of the transaction have not been disclosed.

● RAMA SUPERSTORES has paid about £200,000 for the lease of 421, Oxford Street W1, previously occupied by Honey Jeans. Following purchase of the lease, it was surrendered to the landlords and a new lease was entered into at a rent in the order of £120,000 a year exclusive. Total floorspace—5,700 sq ft.

● FRASER WOOD Properties this week announced the start of a pre-let and forward funded scheme for a 37,000 sq ft warehouse complex at Witham, Essex. The development, to be occupied by the Essex Area Health Authority, has been forward sold to the Equitable Life Assurance Society for about £600,000. The fund will also be providing the interim finance.



£200,000 rental for offices

PA MANAGEMENT Consultants is to pay about £10 a square foot for two floors of Bowater House East in London's Knightsbridge.

United Molasses has assigned the lease for 20,000 sq. ft of office space to PA, which is going to carry out extensive internal modernisation.

The company last year assigned its leasehold interest in another floor of the same building to Boston Consulting Group and has now moved into its new offices in Sugar Quay EC3.

Gordon Linch acted for PA, and United Molasses was advised by Hillier Parker May and Rowden.

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minimum

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sq. ft.

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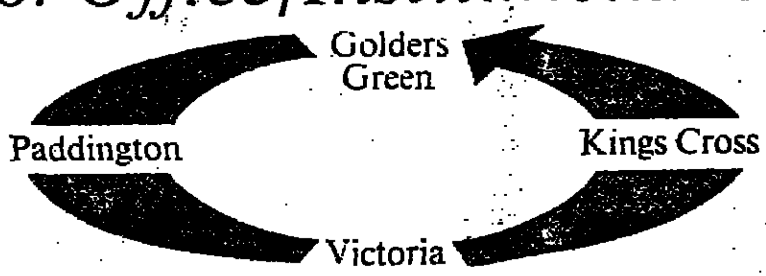

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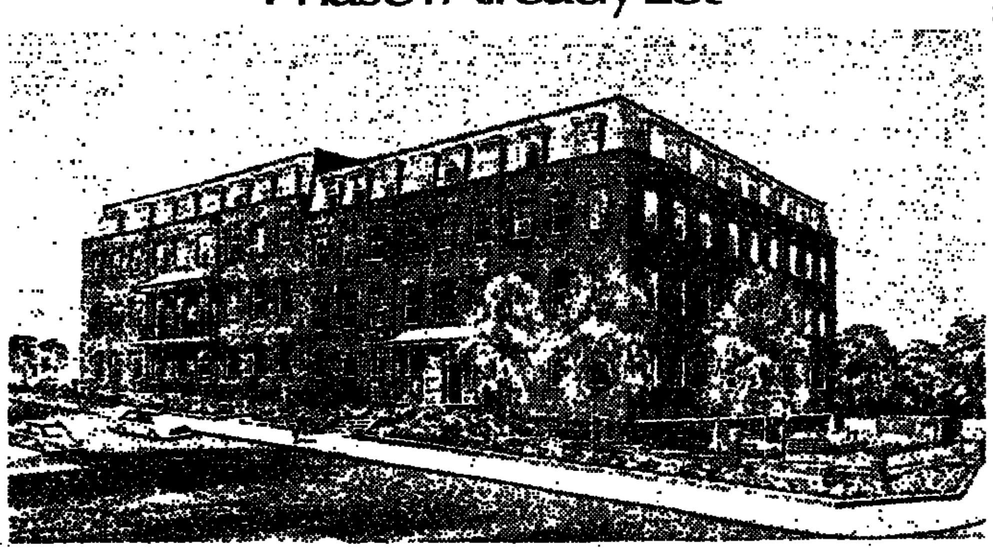

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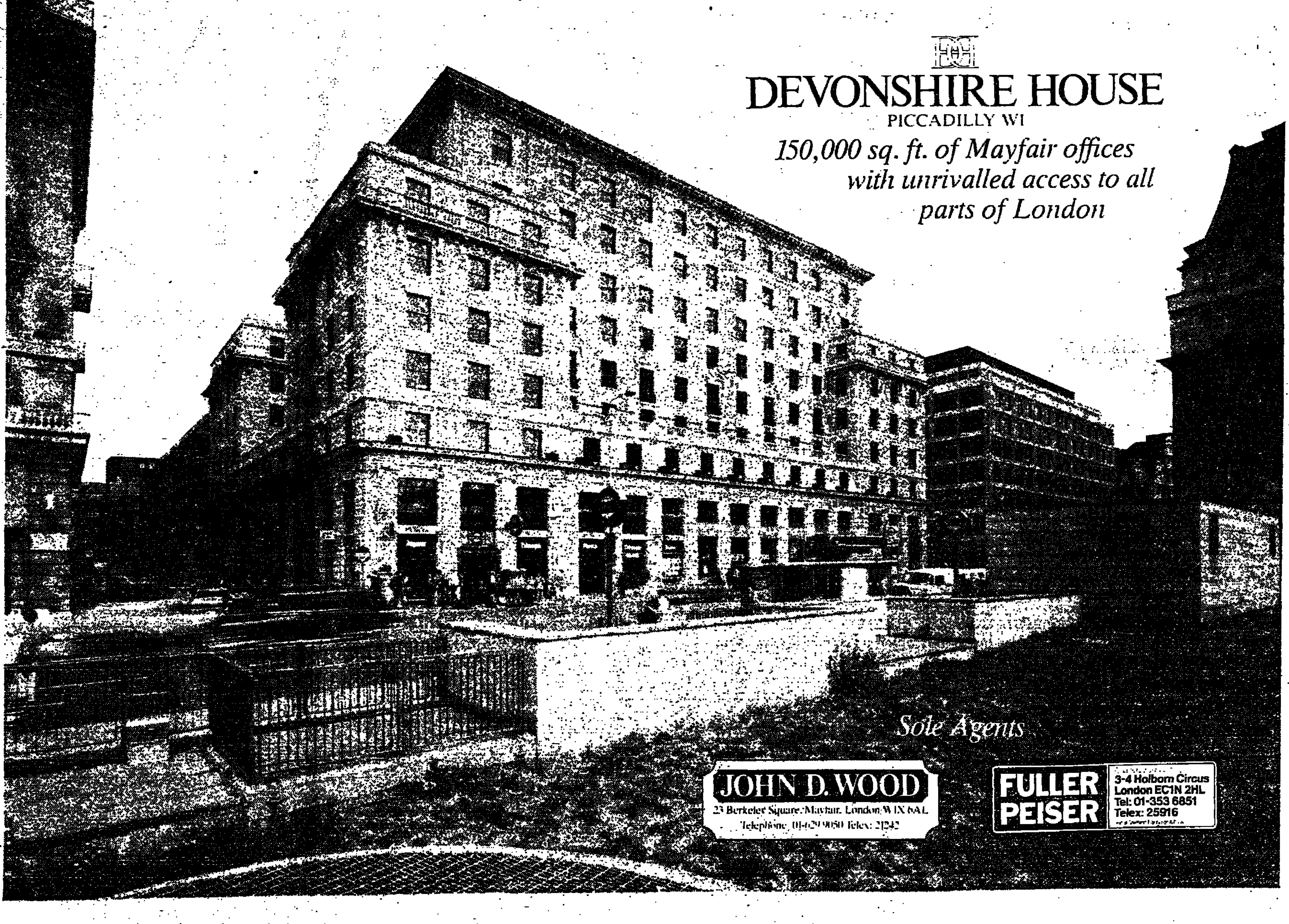

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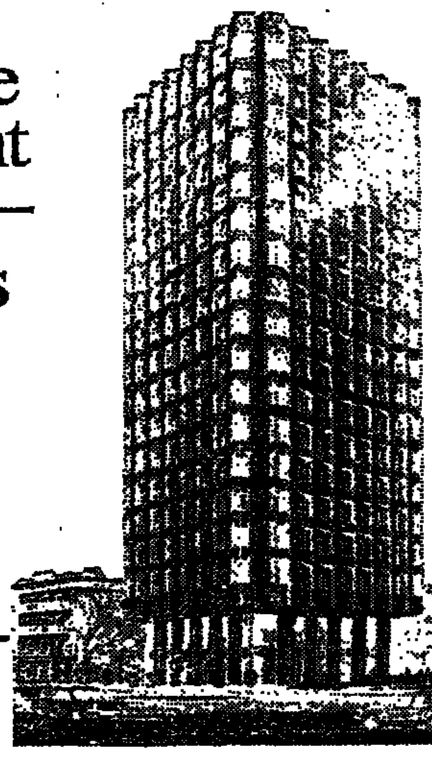

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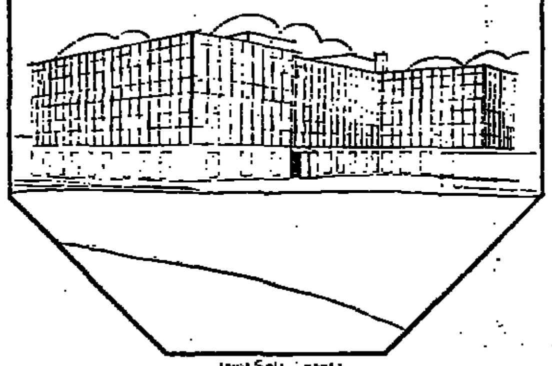

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8,945 sq. ft. Offices plus 17,355 sq. ft. Warehouse. 4 further Warehouses from 8,000 sq. ft. approx. Immediate occupation. 20 ft. eaves. Large yard area.

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HIGH WYCOMBE M40 Industrial Centre

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TO: FINANCIAL INSTITUTIONS, MULTI - NATION CORPORATIONS, BANKS, INSURANCE COMPANIES, ET

Owners of an important freehold site in Gibraltar would pleased to erect and let on long lease suitable offices with without residential accommodation. The total content of building would be in the region of 80,000 sq. ft.

Gibraltar, in the sterling area, enjoys tax-haven status and advantages over Channel Islands and Isle of Man in relati to Capital Transfer Tax. Non-residents of the sterling area w external accounts enjoy full convertibility in all currenci The climate is temperate and sunny most of the time.

Principals only please.

Full details can be obtained from Box T.4960, Financial Times, 10, Cannon Street, EC4P 4BY.

هكذا من الاصل

APPOINTMENTS

Treasurer for Barclays Bank International

Mr. Michael Mayo has been appointed treasurer of Barclays Bank International with effect from January 1. He is at present assistant general manager, corporate finance, international division of BBI. Mr. Mayo will be succeeded by Mr. Mark Deverell, who is head of energy department, the Barclays Group of Banks, international division, head office. Mr. David Anderson, deputy head of energy department, will succeed Mr. Deverell as head of energy department on December 1.

★

COURTAULDS announce that Mr. A. M. Ramsay has been appointed group financial controller in succession to Mr. C. J. Chalmers, who is leaving the group on January 1, 1979, to take up the position of finance director of SCOTTISH AND NEWCASTLE BREWERIES. Mr. Ramsay has worked in the Courtaulds Group for 13 years, most recently as finance director of the INTERNATIONAL PAINT COMPANY. He will take up his new duties on November 1. Mr. Chalmers succeeds Mr. Peter Molony who is leaving his post of finance director of Scottish and Newcastle Breweries at his own request.

★

Dr. David M. Wilson has been made director of the BRITISH MUSEUM. He was formerly Professor of Medieval Archaeology, University College, London, to which post he was appointed in 1971. From 1973 to 1978 he was joint head of the Department of Scandinavian Studies and the Dean of the Faculty of Arts of University College. Dr. Wilson is a member of the Ancient Monuments Board for England, chairman of the area advisory committee for the archaeology of London, and is a past president of the British Archaeological Association (1962-1968) and the Viking Society for Northern Research (1968-1970).

★

Mr. Per Tanni of SKF Steel HQ Sweden has been appointed managing director of SKF STEEL, Newport Pagnell.

★

At DORMAN SMITH FUSES, Mr. E. H. Etchells, sales manager since 1964, is appointed sales director; Mr. F. Bentley becomes technical director; and Mr. D. G. Bewick production director. Mr. J. Lund has retired as director. At a sister company, DORMAN SMITH BRITMAC, Mr. W. Butler is appointed production director.

★

Mr. John Midlane has been appointed director and general manager of RENTCO NATIONWIDE TRAILERS, a subsidiary of trailer manufacturer Crane Fruehauf.

★

Mr. V. J. Scrivener is appointed managing director of McINTYRE. He was formerly divisional engineer to Tate and Lyle Transport's contracts division. Based in Greenock, near Glasgow, McIntyre is a subsidiary of Tate and Lyle Transport and specialises in the sales and servicing of Vauxhall cars and Bedford trucks.

★

Mr. Ian Cameron Black, of Standard Chartered Bank, has been installed as president of the Junior Chamber of Commerce for London for the coming year. Mr. Richard Marshall, of County Bank, has been elected deputy president.

★

Mr. P. T. W. Smith is joining PENTOS general publishing division (Ward Lock/Ward Lock Educational/Marshall Morgan and Scott Publications) as divisional financial director on October 2. He has been with Thomson Publications as financial director for the past 10 years.

★

Mr. Clark Cross has been appointed a director of DOULTON GLASS INDUSTRIES.

★

The Secretary of State for the Environment has appointed Cllr. J. E. Walsh, Warrington Borough Council, as deputy chairman of WARRINGTON DEVELOPMENT CORPORATION. Cllr. H. Whitehead, Cheshire County Council, has been made a member of the Corporation.

★

The Secretary of State for Prices and Consumer Protection, has appointed Mrs. S. M. Edwards, Miss E. A. Kay, Mr. J. D. Whittle, Mrs. S. M. Sandeman, Dr. C. M. MacLean, Mr. A. J. Paterson and Mrs. J. Forbes-Sempill as members of the POST OFFICE USERS' COUNCIL for Scotland until May 31, 1981.

★

Mr. Roger Marsh has been made deputy chairman of SHEFFIELD BRICK group. Mr. Marsh was chairman of W. J. Reynolds Holdings until it was taken over earlier this year.

★

The British Paper and Board Industry Federation announces the appointment of Mr. K. Harvey Proctor as secretary.

★

STANDARD CHARTERED BANK announce that to reduce his commitments Mr. L. T. G. Preston is retiring as a director and chairman of Mocatta and Goldsmid and the Commercial Metal Company at the end of September. He will be succeeded as chairman of both companies by Mr. M. D. McWilliam, a senior general manager of the bank. Mr. Preston is also retiring as chairman and director of Standard Chartered Bank AG, Zurich, and will be succeeded by Mr. N. McMillan.

★

The Court of Directors of the BANK OF IRELAND has appointed Prof. Louden Ryan to be a director of the bank. He is Professor of Political Economy at the University of Dublin and has been a director of the Central Bank of Ireland since 1967.

★

Admiral Sir Richard Clayton is to be Commander-in-Chief Naval Home Command from March, 1979, in succession to Admiral Sir David Williams, who retires.

★

Esso Petroleum Company announces that Mr. A. L. Campbell and Mr. J. A. Vaughan have been nominated to be directors of ESSO TEORANTA and it is expected that the Board of Esso Teoranta will appoint them as directors, effective October 1 at the board meeting today. It is expected that at the same time Mr. Campbell will be appointed chairman and chief executive of Esso Teoranta. The company is a subsidiary of Esso Petroleum and distributes and markets Esso products in the Republic of Ireland.

★

Mr. M. R. Cowan, chief commercial officer of the Merseyside and North Wales Electricity Board, has been seconded to the new post of commercial director of the ELECTRICITY COUNCIL RESEARCH CENTRE at Capenhurst, Cheshire. He will be responsible for identifying suitable organisations to which the new technologies developed at the ECRC can be transferred and for all commercial negotiations with those organisations. His secondment is for two years. Dr. A. T. Churchman, director of the ECRC, remains responsible for the design and execution of research programmes.

★

Mr. Dennis William Cottrell has been appointed industrial relations manager, BRITISH GAS CORPORATION. He was previously assistant to the director of personnel with South West Gas, where he was chiefly concerned with industrial relations.

★

Mr. James A. Finneran has been named vice president and director of process operations for the Pullman Kellogg division of PULLMAN INCORPORATED at world headquarters in Houston, Texas. Mr. E. Louis Whittington has been appointed manager of process design. Mr. James R. Murphy has been named manager of process technology. Dr. Alex Logwinuk becomes director of licensed technology, transferring from Pullman Kellogg's Research and Development Centre, where he had been director of research and development planning.

★

Mr. John M. P. Moore has been appointed an associate director of KIRKLAND-WHITTAKER.

★

Mr. John C. Farmakidis has been named vice-president in charge of the corporate banking group in the Paris branch of BANKERS TRUST COMPANY. He was previously vice-president in charge of Bankers Trust Company's representative office in Athens, Greece.

★

Mr. Alan D. Moore has been appointed head of NATIONAL WESTMINSTER BANK'S new issues department, based in the City of London. Formerly an executive with domestic banking division's planning and marketing department, he succeeds Mr. A. Cordwell on his retirement.

★

Mr. Martin E. Shaw has been appointed a director of COOPER GAY AND CO., Lloyd's brokers.

★

Miss Angie Bass has been promoted from general manager to divisional director of CREATIVE TRAVEL SERVICES, the conference, incentive and group travel division of Alltransport International Group.

★

Mr. John Lawson, currently chief accountant, has been appointed a director of TWENTIETH CENTURY BANKING CORPORATION, the wholly-owned banking subsidiary of The Peninsular and Oriental Steam Navigation Company.

★

Sir Alastair Blair is to retire from the chairmanship and the Boards of BRITISH ASSETS TRUST and EDINBURGH AMERICAN ASSETS TRUST with effect from September 30. He has been chairman of both companies since 1951. Mr. J. C. R. Inglis, a director of British Assets Trust since 1957, will be appointed chairman. Mr. Peter Balfour, a director of Edinburgh American Assets Trust since 1962, is to be the new chairman of that company.

★

Mr. Brian Weedon has been appointed director product planning of the PERKINS ENGINES GROUP. Formerly product manager, large engines, he also takes responsibility for business planning, which aims at setting Perkins Engines longer term strategies. He has worked at Vauxhall, Chrysler, Ford and Dennis Motors.

★

Mr. Arthur A. Martin has been appointed a non-executive director of BROWN BROTHERS CORPORATION. He is president of Dana Europe and a director of Turner Manufacturing Company. Mr. John E. Head has also been appointed a non-executive director. He is executive chairman of H. Brammer and Company and a director of its operating companies.

★

Mr. John Morgan, chairman and general manager of the British Rail Pension Fund has been appointed chairman of the POST OFFICE USERS' NATIONAL COUNCIL with immediate effect.

★

Mr. P. C. H. Cook, finance director of Simon Engineering, Stockport, has been appointed deputy chairman of SIMON-TR HOLDINGS the London-based holding company of Simon's Marketing and Storage Group. Mr. D. F. Waugh continues as chairman until his retirement next May. Mr. G. B. M. Williams, formerly a director of Simon-TR Holdings, has been appointed managing director.

★

Mr. Jeremy Archer-Cox managing director of Tenant Trading (Metals), a ring-dealing member of the London Metal Exchange, has been made a director of TENNANT TRADING.

★

Mr. R. W. Bignell has been appointed manager of the market planning group, FOSTER WHEELER. Mr. Iain Oldcorn has joined the company as manager information systems—a new appointment within the computer services department.

★

Mr. H. L. Hansard has been appointed assistant general manager Great Britain of the BANK of IRELAND. Mr. P. S. Mullally, formerly London City office manager, has been appointed assistant general manager Dublin West.

WORLD STOCK MARKETS

Bargain hunting offsets rising rates: up 1.12

INVESTMENT DOLLAR PREMIUM
\$2.60 to £1—86½% (88¼%)
Effective \$1.9730 41½% (42¾%)

A MIXED trend prevailed in slow trading on Wall Street today, when concern about inflation and rising interest rates was offset by late bargain hunting.

The Dow Jones Industrial Average finished 1.12 up at 861.31 and the NYSE All Common Index gained 16 cents to \$57.47, although declines led advances by 735-to-692. Trading volume fell 4.04m shares to 24.35m.

Analysts said investors moved to the sidelines to await the weekly report on the U.S. Money Supply and President Carter's News Conference, due as the Stock Market closed.

As an increase in the prime rate to 9¾ per cent from 9½ per cent spread, investors were discouraged by expectations the rate could go higher.

After the Stock Market closed, the Federal Reserve said narrowly-defined Money Supply M-1 rose \$800m in the latest reporting week, about in line with expectations.

Investors wanted to see how President Carter would respond at his News Conference to questions about his New Programme for Wage and Price Guidelines. He has said repeatedly in recent days the New Plan will be tough

Rail strike talks failed to produce an agreement and President Carter said he ordered the formation of an Emergency Board to take over negotiations.

Carrier led the active list, adding \$¾ at \$26¾—a block of 175,000 shares moved at \$26¾—the Justice Department is inquiring about **United Technologies'** plan to acquire Carrier for \$28 a share.

Kennecott Copper climbed \$2¼ to \$27¾ and **Curtiss-Wright** rose \$1½ to \$18¾—the U.S. Court of Appeals ruled Kennecott must void its 1978 annual meeting results and hold a new election of directors. The original slate was opposed by Curtiss-Wright.

Caesars World jumped \$5½ to \$32¾—it said there will be 42,000 units of securities of its Caesars New Jersey subsidiary left over even if all holders of Caesars World subscribe to the Caesars New Jersey offer.

Dr. Pepper were active and added a further \$¾ to \$19¾—a spokesman said he knew of no reason for the rise.

Federal Paper Board moved ahead \$2½ to \$25¾ although it said it know of no Corporate developments to account for the recent activity in its stock.

THE AMERICAN SE Market Value Index rose 0.15 to 167.58, while the volume edged up to 3.85m (3.77m) shares.

Volume leader **Instrument Systems** eased \$⅛ to \$1¼. **Plant Industries**, in second place, climbed \$1¼ to \$9½.

International Systems and Controls jumped \$3½ to \$27—losses for the June 30 year widened from a year ago but it expects a fiscal 1979 profit.

Ashland Oil Canada rose \$½ to \$27¾ in active trading—**Kaiser Resources** obtained Canadian Government approval to buy 79 per cent of *Ashland Canada* from Ashland Oil Incorporated.

Canada

The upward movement gathered momentum in active trading yesterday, when the Toronto Composite Index advanced 5.9 to 1,277.9.

The Metals and Minerals Index moved up 12.6 to 1,107, Oil and Gas put on 2.3 to 1,722.1, Papers gained 1.47 to 146.98 and Utilities firmed 0.21 to 191.49.

Only Golds, off 8.6 at 1,663.3 on index, and Banks, off 1.09 at 287.33, moved against the general trend.

Consolidated-Bathurst climbed \$1½ to \$36½, **Brinco** \$¾ to \$8 and **Dominion Bridge** \$1 to \$27.

IAC at \$19¾, **Labatt 'A'** at \$20¾, **Noranda Mins** at \$23¾ and **Alcan Aluminium** at \$35¼ each rose \$½.

Bel Canada were up \$¾ at \$61¾; as were **Hudson's Bay Co** at \$23 *and Molson 'A' at \$21.*

Paris

The trend continued firm with the announcement of a lower Retail Index for August encouraging business.

Apart from weaker Metals and Oils, most other sectors moved higher led by Constructions and Stores. Some Banks were mixed.

In Foods, **Pernod-Ricard** gained Fr 19.8 to 297.8.

Among Rubbers, Michelin moved up Fr 91 to 1,455.

In Hotels, **Club Mediterranee** strengthened Fr 33 to 509, while **Jacques Borel** declined Fr 5.9 to 177.

Moulinex, up Fr 7.5 to 137.5, led Electricals higher, as did **Roussel-Uclaf** in Chemicals.

U.S., German, Dutch and foreign mining shares weakened under the overnight influence of Wall Street, while Canadians, Oils and Golds weakened.

Switzerland

Movements were irregular in moderately active dealings, after improving initially on the *recovery of the dollar and the mark.*

Leading Banks and Financials were steady

Among mixed Insurances, **Zurich Bearer** met some demand.

In Industrials, **Brown Boveri, Fischer, Sulzer Participation Certificates** and **Jelmoli** each declined. **Saurer Bearer** and **Alusuisse** were each slightly higher.

Domestic Bonds were slightly firmer in moderate activity, while Foreign Bonds were steady.

In a quiet foreign sector, Dollar stocks moved above overnight New York closing levels. Dutch Internationals were narrowly mixed, while Germans well maintained.

Amsterdam

Prices were mostly weaker following continuing uncertainty on the currency market and a weaker overnight Wall Street.

Unilever firmed Fl1.90 to 126.4, *while other Dutch Internationals* were little changed.

Elsewhere, **HVA** and **IHC** were among isolated higher issues.

State Loans weakened further with losses up to Fl 1.50 in limted *trading.*

Tokyo

Share prices closed higher in fairly active trading that pushed the market average up 15.94 to 5,754.21 — a new record for the third consecutive day. Volume 410m (430m) shares.

Stocks with anticipated good earning prospects led the market, more than offsetting increased *profit-taking, with investors* anticipating a further rise.

Nippon Mining rose Y17 to 154 following the discovery of oil and natural gas deposits in North-western Japan.

Public works, Foods, Textiles, Chemicals, "small-sized" Steels, Machines, Retail Stores and Printings were all better in good volume.

Such issues as Electric Wire Makers were bought, reacting favourably to the news that Japan's Telephone and Telegraph Corporation succeeded in its tests of glass fibre cable for transmission. This new method will be in use in the forthcoming few years, a Corporation spokesman said.

Toyoda Machinery Works rose Y99 to 1,130, **Nippon Hodo** Y80 to 1,388, **House Food Industrial** Y58 to 1,228, **Toyama Chemical** Y63 to 810, **Toyoda Tsusho Kaisha** Y55 to 470, **Nippon Koei** Y32 to 1,020, ***Dainippon Screen MFG*** *Y45 to* 1,030, **K. Hattori** Y40 to 1,390, **Seino Transportation** Y40 to 1,340 and **Shikoku Electric Power** Y40 to 1,050.

But some Blue Chips and Popular issues fell slightly on profit-taking. **Toyota Motor** shed Y10 to 875, **Sony** Y20 to 1520, and **Heiwa Real Estate** Y12 to 645.

Germany

Prices were little changed to firmer with increased demand in some sectors.

Hoechst AG gained DM 1.30 to 140.4—it sees its current situation and immediate future with a "glimmer of optimism" and announced 1978 consolidated domestic group turnover from January to August up 4.4 per cent at DM 8.70bn.

Elsewhere, **BASF** rose DM 1.40 to 141.5.

Stores also firmed, with **Kaufhof** up DM 1.90 at 245.

Banks, Electricals and Motors were little changed.

Domestic Bond Market was quiet. Public Authority issues showed losses of up to 20 pfennigs and gains of up to 10 pfennigs. The Regulating Authorities sold a nominal DM 3.3m worth of stock.

Mark Foreign Loans continued firmer.

Australia

Oils continued to dominate market activity.

Woodside rose 8 cents to 88 cents, after 90 cents, on rumours it found indications of hydro-carbons in its Brigadier No. 4 well.

Santos further advanced 10 cents to A\$2.25 and **Crusader** also 10 cents to A\$1.08 on the strength of the Cooper Basin find.

Other Oils to make gains included **Weeks Petroleum, Ampol Exploration, Reef, Magelan, A.P.G.** and **Beach.**

Hong Kong

Market closed firmer after share prices fluctuated widely in moderate two-way trading.

However, turnover was relatively low with some operators holding back ahead of a possible local interest rate change after the Exchange Banks Association meeting.

Hong Kong Bank rose 20 cents to HK\$20, **Hutchison Whampoa** 15 cents to HK\$6.65 and **Jardine Matheson** 40 cents to HK\$18.20.

City and Urban Properties resumed trading at HK\$1.59, compared with its HK\$1.66 pre-suspension price.

Hong Kong Land were steady at HK\$12.30 ahead of its interim results.

Hong Kong Electric rose 15 cents to HK\$7.05 on its profit figures, while **Hongkong Wharf** added HK\$1 at HK\$35.

Elsewhere, **Tai Cheung Properties** were up 5 cents at HK\$2.40 and **Winsor** 2½ cents to HK\$3.875.

Johannesburg

Gold shares were higher on balance but off the day's best levels in small volume. Following the election of P. W. Botha as Prime Minister (previously Defence Minister).

On balance gains ranged to 100 cents. Mining Financials following the trend in Golds.

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO

JOHANNESBURG

THURSDAY'S ACTIVE STOCKS

NEW YORK

Stock	Sept. 28	Sept. 27
Abbott Labs	34⅝	35
Addressograph	26⅝	26⅝
Aetna Life & Cas	41	41¼
Air products	28½	28½
Alcan Aluminium	32⅝	32
Alcoa	45¼	44⅝
Corning Glass	58¼	58½
CPC Int'rn'tional	49¾	50⅝
Crane	32	33½
Crocker Nat	28¼	28
Crown Zellerbach	44	44¼
Cummins Engine	38⅝	38¼
Curtiss-Wright	18¾	17⅞
Dana	30½	30½
Johns Manville	31½	31⅛
Johnson Johnson	82⅝	82¼
Johnson Control	26½	27½
Joy Manufactur'g	34⅝	35
K. Mart Corp	28	27⅝
Kaiser Aluminium	34¾	34¾
Kaiser Industries	2¼	2¼
Kaiser Steel	26⅝	26⅝
Kay	12⅞	13
Revlon	52½	52⅝
Reynolds Metals	34½	34
Reynolds R. J.	61½	61
Rich'son Merrell	28⅝	28⅝
Rockwell Inter.	36¼	35⅝
Rohm & Haas	35	35⅝
Royal Dutch	63⅛	63⅝
RTE	14⅝	14½
Woolworth	22½	21⅝
Wyly	6⅝	5⅞
Xerox	5	54
Zapata	16	16
Zenith Radio	16⅝	16½
U.S. 40-day bills	7.82	7.89
Waste Management	27⅝	28⅛
Wells Fargo	29⅛	29
Western Bancorp	41½	41⅝
Western N. Amer.	35½	35½
Western Union	19⅛	18⅞
Westinghouse Elec.	21⅝	21⅝
Weyerhaeuser	29⅞	29¼
Whirlpool	23¾	23⅝
White Con. Ind.	20½	21⅛
William Co.	20	19⅞
Wisconsin Elect.	27⅞	27½

† Bid. ‡ Asked. § Traded. ¶ New stock.

CANADA

NOTES: Overseas prices shown below exclude § premium. Belgian dividends are after withholding tax. ♦ DM 50 denom. unless otherwise stated. Yields based on net dividends plus tax. ‡ Pta 500 denom. unless otherwise stated. & DKr 100 denom. unless otherwise stated. ¶ SwFr 500 denom. and Bearer shares unless otherwise stated. Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. ‡ Traded. § Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ∆ Interim since increased.

GERMANY ♦

Sept. 28	Price Dm.	+ or —	Div. %	Yld. %
AEG	87.3	—0.3	—	—
Allianz Versich.	529	+1.0	31.2	2.9
BMW	229.0		28.12	6.1
BASF	141.5	+1.4	18.78	6.7

TOKYO ¶

Sept. 28	Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	352	+2	14	2.1
Canon	466	+2	12	1.5
Casio	863	—11	25	1.4
Chinon	395	—4	20	2.5

AUSTRALIA

OSLO

BRAZIL

JOHANNESBURG

AMSTERDAM

BRUSSELS/LUXEMBOURG

PARIS

SWITZERLAND ♦

COPENHAGEN ♦

MILAN

STOCKHOLM

VIENNA

SPAIN ♥

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS

BASE LENDING RATES

A.B.N. Bank	10 %
Allied Irish Banks Ltd.	10 %
American Express Bk.	10 %
Amro Bank	10 %
A P Bank Ltd	10 %
Henry Ansbacher	10 %
Banco de Bilbao	10 %
Bank of Credit & Cmce.	10 %
Bank of Cyprus	10 %
Bank of N.S.W.	10 %
Banque Belge Ltd.	10 %
Banque du Rhone	10½%
Barclays Bank	10 %
Barnett Christie Ltd.	11 %
Bremar Holdings Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10 %
Canada Perm't Trust	10 %
Capitol C & C Fin. Ltd.	10 %
Cayzer Ltd.	10 %
Cedar Holdings	10½%
■ *Charterhouse Japhet*	10 %
Choulartons	10 %
C. E. Coates	10 %
Consolidated Credits	10 %
Co-operative Bank	*10 %
Corinthian Securities	10 %
Credit Lyonnais	10 %
The Cyprus Popular Bk.	10 %
Duncan Lawrie	10 %
Eagil Trust	10 %
English Transcont.	11 %
First Nat. Fin. Corp.	11½%
First Nat. Secs. Ltd.	11 %
■ Antony Gibbs	10 %
Greyhound Guaranty	10 %
Grindlays Bank	‡10 %
■ Guinness Mahon	10 %
■ Hambros Bank	10 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†10 %
Julian S. Hodge	11 %
Hongkong & Shanghai	10 %
Industrial Bk. of Scot.	10 %
Keyser Ullmann	10 %
Knowsley & Co. Ltd.	12 %
Lloyds Bank	10 %
London Mercantile	10 %
Edward Manson & Co.	11½%
Midland Bank	10 %
■ Samuel Montagu	10 %
■ Morgan Grenfell	10 %
National Westminster	10 %
Norwich General Trust	10 %
P. S. Refson & Co.	10 %
Rossminster	10 %
Royal Bk. Canada Trust	10 %
Schlesinger Limited	10 %
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11 %
Standard Chartered	10 %
Trade Dev. Bank	10 %
Trustee Savings Bank	10 %
Twentieth Century Bk.	11 %
United Bank of Kuwait	10 %
Whiteaway Laidlaw	10½%
Williams & Glyn's	10 %
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%. 1-month deposits 7¼%.
† 7-day deposits on sums of £10,000 and under 7%, up to £25,000 7¼% and over £25,000 7½%.
‡ Call deposits over £1,000 7%.
§ Demand and deposits 7¼%.

دولة عن الأول

FARMING AND RAW MATERIALS

New talks on wheat export pact plan

BY OUR OWN CORRESPONDENT OTTAWA, Sept. 28.

...international wheat ...t could benefit the ... nations by over $5.5bn. ...Hazen Argue, chairman ...Canadian Senate's agri... committee, estimated in ...ent to the U.S. Senate ...e committee.

...ed a statement here ...aiming that research ... the Canadian Wheat ...dicates that the aggre... to the major exporters ...o-operative action" at ...of the U.S. target price ...would be $5.5bn.

...ed that the co-operative ...ent envisaged was not ...and fast international ...t with a multitude of ...es and qualifications. ...was needed was a com... a clear public under... co-operate in maintain... ...r and reasonable price ...rm gate of not less than ...hel.

...entatives of the ... committee went to ...on to meet with their ... numbers on the U.S. ...griculture committee. It ...umption of their earlier ...ns on the possibility of ...tion among the major ...porting nations.

... Government, our ... Wheat Board, our ... agriculture committee ... wheat producers are ...d that a co-operative ...ent between our two ...is practicable and ...," Senator Argue ...

...ommodities Staff writes: ... from Washington suggest that President Carter is holding out for a broader agreement on wheat that will include both exporting and consuming interests. But U.S. Senators appear keener on exporting countries getting together.

Senator George McGovern claimed that other commodity producers were scarcely considerate of their customers. "There weren't too many consumers sitting on those OPEC meetings when they set the price of oil," he commented.

Senator Henry Bellmon has proposed that the U.S. and Canada form a partnership, possibly including other major wheat-producing countries, to force the world to pay "a fair price" for their grain, reports AP-Dow Jones.

His plan would copy the cartel formed by oil-producing countries to keep petroleum exports at a favourable price. He said the world price for wheat should be set at about $4.50 per bushel, compared with the current price of $3 which he said is nearly $1 below the cost of production. He also suggested an upper limit price of $6.

Outlining his plan to the Senate agriculture committee, Senator Bellmon proposed the U.S., Canada and possibly Australia and Argentina would join together to form an international grain exporting stabilisation commission.

Members of the commission would be required to have export licences to export wheat, and that licence could only be issued when the sales price of the wheat was the same or more than a world price set by the commission.

Hopes fade in coffee pact talks

By Our Commodities Staff

HOPES FADED yesterday that coffee producers and consumers meetin gin London were close to a breakthrough on updating price stabilisation provisions included in the International Coffee Agreement.

An EEC initiative for considering together new trigger prices at which export quotas would come into effect and the cut-off point at which they would cease to opearte had been seen as offering hope of a compromise agreement between the two sides.

But in the event the consumers failed to agree on the levels at which the prices should be set and so were unable to offer a deal to the producers.

Delegates to the International Coffee Council meeting were due to consider the position at an executive Board meeting last night following a full Council meeting earlier in the day.

But ICO sources said yesterday afternoon that they were uncertain whether the Board meeting would be held after all.

On the London futures market trading was very quiet as dealers awaited developments at the ICO meeting.

World sugar market higher

By Our Commodities Staff

WORLD SUGAR prices rose to the highest level since February this year on the London terminal market yesterday. The London daily price for raw sugar was marked up by £3 to £110 a tonne in the morning reflecting the firm undertone in the market.

The December position on the futures market climbed to over £114 at one stage but fell back on profit-taking sales to close at £112.85 a tonne, up £1.30 on the previous close.

The market has now moved up by over £7 this week on stronger buying interest, which is believed to be partly a reaction from the previous very depressed levels.

Peru resumes fishmeal sales

WASHINGTON, Sept. 28.

PERU HAS sold 12,000 tonnes of fishmeal to the U.S., the first such sale in almost three years, a Peruvian source confirmed.

The sale was to International Protein Corporation, at $375 per tonne c and f free out, for delivery to Atlantic and Gulf ports between October 1978 and January 1979.

Reuter

Irish to exploit herring loophole

BY STEWART DALBY DUBLIN, Sept. 28.

JUST THREE days before the deadline, Irish fishermen have dropped their controversial plan to break the ban on herring fishing in the Celtic Sea from next Sunday and illegally fish for three months.

The Irish Fishermen's Association has not totally abandoned the idea of taking herring from the area, but it has merely changed tactics.

From Sunday it says, its members will start to fish for mackerel; in other words it will allocate itself a by-catch of herring in the same way as the Dutch fishing fleet does.

The fishermen have thus defused a potentially embarrassing, and for fishermen, possibly dangerous, situation at a time when both Irish fishermen and the Dublin Government are concerned with the new unilateral British ban on herring fishing in the Irish Sea.

The association had encouraged its members to catch herring in the Celtic Sea because it believed that Dutch fishing vessels were catching up to 3,000 tonnes of herring in the area as a by-catch of their haul of mackerel.

As the same net and gear are used both for mackerel and herring, it is inevitable that some herring would be caught along with mackerel. Under EEC regulations, the Dutch are allowed a by-catch of 5 per cent of herring.

The Irish claim the Dutch have consistently taken a 15 per cent herring by-catch, equivalent to 3,000 tonnes.

The Irish fishermen therefore plan to allocate themselves 3,000-tonnes on a ship-by-ship quota basis between now and Christmas. By doing this, they run the risk of intervention by their own naval vessels.

With the new threat posed to Irish fishermen, in the Irish Sea, they have clearly decided to fight one battle at a time.

If Mr. Silkin's threat of interference with Irish vessels in the Irish sea goes through, they risk fines of up to £50,000 as well as confiscation of tackle

Mr. Brian Lenihan, Irish Fisheries Minister, has promised support for its fishermen, but has as yet failed to spell out what form this assistance will take.

Bolivia attacks tin stockpile sale move

UNITED NATIONS, Sept. 28.

BOLIVIA yesterday accused the U.S. of "economic aggression," saying it caused tin prices to fall by debating whether to release several thousand tons from its strategic stockpile, reports Reuter.

Sr. Ricardo Anaya, Bolivian Foreign Minister, told the UN General Assembly that the mere announcement that the U.S. House of Representatives was considering whether to authorise the selling of 35,000 tons of tin from its strategic reserves had profoundly affected the price of the metal.

"... because of the fear aroused by such a drop in price, the Bolivian economy stands to lose about $20m in annual income," he said.

In Sydney it was claimed that real downward pressures on tin prices must be assumed if the U.S. Congress authorises the sale of stockpile tin, Mr. Bart Ryan, chairman of Australia's largest tin miner, Renison, told the company's annual meeting.

But he pointed out that as a member of the International Tin Agreement the U.S. had an obligation to dispose of stockpile tin only after consultations with the Tin Council and in such a way as to avoid market disruption.

Our Commodities Editor writes: Tin prices staged a further recovery on the London Metal Exchange yesterday. Cash tin closed £45 up at £7,015 a tonne encouraged by a rise in the Penang market overnight.

Other base metal values showed little change. But in the U.S Asarco raised its domestic copper price by 0.75 to 68.25 cents a pound for cathodes and put up its lead price by 1 cent to 36 cents. Another U.S. lead producer lifted its price by 2 cents to 37 cents.

EEC DAIRY SURPLUS

Farm price cuts not the answer

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

SIR HENRY PLUMB, president of the National Farmers Union, recently hazarded the proposition that something would have to be done to penalise dairy farmers who produced more than could be sold in a viable market.

He was far from specific about the remedies to be adopted. But he said enough for it to be interpreted by, among others, Mr. Finn Gundelach, the EEC Agricultural Commissioner, that some form of production quota was being suggested.

This idea was promptly denounced by Mr. Gundelach as beign contrary to the doctrine of the Common Agricultural Policy. The Commission itself, he said, would be producing proposals for coping with Community milk surplus problems for the consideration of Ministers before too long, he said.

The Commission's remedy is supposed to be based on a steady reduction of milk prices in "real" terms by awarding only minimum increases at successive annual farm price reviews. This would be coupled with moves to pay income supplements to smaller farmers, who reduce their milk output and by stopping subsidies for enlarging and increasing existing dairy units.

The problem is that the cost of the milk surplus is becoming enormous. EEC budgeted expenditure in the dairy section for next year is 3,740m Units of Account. This equals at least £60 per Community cow.

It is true that the skimmed milk powder "mountain" has been substantially reduced, and that of butter contained, but at the tremendous cost mentioned above.

What those who believe in a Common Agricultural Policy have failed to take into account, has been the determination of dairy farmers everywhere to stay in business, in spite of declining returns in real terms. If anything, the lower returns have had a stimulating effect on production.

Farmers are getting more efficient and yields per cow over Europe are increasing. The exodus of very small cow keepers, which was such a feature of the 1960s has fallen to a trickle. Although the number of farmers has halved in the last 20 years, total cow numbers are the same

British farmers faced a similar situation in the early 1960s when Sir Christopher Soames, as Minister of Agriculture, instituted a standard quantity system for milk and other products in over-supply.

This meant that farmers were paid a guaranteed price for milk up to a certain quantity of production, after which returns had to be secured from the open market. The effect was a dilution of the guaranteed price, which effectively reduced returns for several years.

Demand

Although farmers opposed this bitterly, production was maintained in spite of returns being for some of the period no more than 90 per cent of the guaranteed figure. Nor was there any reduction in the size of the dairy herd.

During the period there was a demand for production quotas to be applied on a farm basis, so that the smaller farmers would not be put at a disadvantage by large farmers over-production. This was resisted by the industry, although Sir Christopher at one time was much in favour and had secured NFU agreement.

The objection to a quota system was that it would inhibit expansion, penalise the efficient, shelter the inefficient and be the reverse of progressive.

There is nothing new about quotas. They exist in other parts of the world for milk, and even applied to potatoes and hops in the UK.

The NFU's worry basically is that, as the only deficit area for milk in the Community, Britain is the target for the disposal of the surpluses. Already, thanks to the operation of the monetary compensating amounts (MCAs) British butter is increasingly going into Intervention to make way for EEC imports and only disease restrictions are preventing imports of liquid milk.

If, the argument runs, the disparity of exchange rates continues, milk could suffer the same competition as pigmeat, to the detriment of UK producers.

This is not a direct analogy. The pigmeat MCAs are calculated in such a way as to give an advantage to Holland and Denmark, which is impossible to justify on any basis of equity. Not even Mr. Gundelach tries to do so any more.

But any talk of national protection is outside the rules of the Common Agricultural Policy, as Mr. Gundelach is quick to remind everyone. So the NFU, officially at least, has retreated into silence.

Nevertheless, the issue could arise at any moment, particularly if imports of fresh milk into Britain came to be added to those of milk products. In that event demands for a guaranteed place in the home market would become respectable, and this is what many dairy farmers would like to see.

The final crunch could come when the Finance Ministers of the Nine refused to go on supporting the milk subsidy. Attitudes would swiftly alter. Farmers, while perfectly happy to go on beggaring the taxpayers as they are doing now, would be very loath to be beggared by their neighbours. Circumstances do alter cases.

Bumper harvests forecast

BY DAVID SATTER MOSCOW, Sept. 28.

THE SOVIET grain crop ...tually complete, all indi... point to the harvesting of ... record crop. Western ...xperts believe the final ...arvest will probably be ... 220 and 225m tonnes.

...a, the Communist Party ...er, today reported that ...Monday, grain had been ...d on 115m hectares, 91 ... of the area planted. Of ... per cent had been ... already delivered to processing points.

...a said that the harvesting ... beet is now at its "very ... and the crop has been ... on 1.06m hectares, 28 ... of the area planted.

...newspaper also reported ...ere has been good pro... the cotton harvest with ...tonnes of raw cotton ...

● This year's EEC grain harvest is likely to be 10m tonnes higher than in 1977, at 113.7m tonnes, according to latest estimates the office of the European Communities Commission issued in London yesterday.

This extra production is worth an estimated £675m, and at current world prices will help keep grain prices down throughout the Community over the next year.

The estimated crop figures forecast a sharp rise in wheat to 42.5m tonnes, compared with 36.1m in 1977. Barley is put at 39.4m, against 37.8m; durum wheat 3.5m (2.25m), maize 16.5m (15.6m) and other grains 11.8m (11.9m).

Farm workers call for state land takeover

BY CHRISTOPHER PARKES

THE STATE should take over all rented farmland in Britain and at the same time nationalise all private estates — rented or not — of more than 1,500 or 2,000 acres, Mr. Jack Boddy, general secretary of the National Union of Agricultural and Allied Workers, said in London yesterday.

Mr. Boddy, introducing a union pamphlet on land nationalisation, stressed that he was not interested in state farming. That would not work, he said.

But as world population and demand for food increased it was vital for agriculture to produce more food. A public takeover of the land would lead to greater productivity.

The publication reflects a substantial change in position by the union, which began campaigning in 1976 for the nationalisation of all agricultural land.

Main targets, Mr. Boddy said, were the owners of large estates, investment companies, banks and insurance companies, universities and royal landowners.

If nothing else, he said, nationalisation would help to slow the continuing escalation of land prices.

People deprived of their holdings under any future legislation should be properly compensated.

One "reasonable" solution would be for former landowners to receive annuities for as long as they lived or until their children reached school-leaving age.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

...—Barely changed in subdued ... the London Metal Exchange. ...metal edged up in the morning ...£763, but thereafter the price drift prior to closing at £761 ... kerb. Turnover 19,150 tonnes. ...mated Metal Trading reported ... morning cash wirebars traded ...44, 45.5, three months £762, 61.5. ... Cathodes cash £731.5, three months £750.5. Kerb: Wirebars, three months £761.5, 67. Cathodes, three months £750. Afternoon: Wirebars cash £741.5, three months £762, 61.5, 62, 61, 60.5, 60. Kerb: Wirebars, three months £760, 60.5, 61, 61.5, 62, 61.5, 61.

TIN—Gained ground. A rise in the Penang price prompted a firm opening for forward standard metal which then moved ahead to £6,855. Towards the close of the morning kerb some hedge selling was reported but this was insufficient to reverse the upward trend. Values rose afresh in the afternoon as U.S. physical interest took forward metal up to a day's high of £6,870 prior to it closing at £6,865 on the late kerb. Turnover, 1,760 tonnes.

	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
	745-.5	−7.5	741-.5	+.25
	761.5-2	−7	760-.5	+.5
	745.5	−7.5	—	
	731-.5	+6.5	730-1	+1
	750.5-1	−7	749.5-50	−1.5
	731.5	+6.5	—	
	625	...	63-66	

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7020-30	+135	7010-20	−45
3 months	6860-5	+72.5	6870-85	+82.5
Settlem't	7030	+158	—	
Standard				
Cash	7020-30	+135	7010-20	+45
3 months	6845-50	+75	6850-5	+20
Settlem't	7030	+150	—	
Straits E.	$1665	+15	—	
New York	—		—	

Morning: Standard cash £7,020, 35, 30, three months £6,850, 40, 50, 45, 50. High Grade, cash £7,040, three months £6,860. Kerb: Standard, cash £7,000, three months ...

LEAD

ZINC

SILVER

COCOA

COFFEE

ROBUSTAS—In the quietest conditions for some months the morning session recorded only minimal overnight losses, reports Drexel Burnham Lambert. The afternoon continued lacklustre until the final moments when continued trade selling forced some Commission House stop-loss liquidation. Values dropped rapidly ...

GRAINS

RUBBER

SOYABEAN MEAL

Soyabean meal futures closed steady with on balance gains against Chicago of £0.25 to £0.45 per tonne, reports Reuter. Dealers said the market lacked feature and fresh news.

SUGAR

WOOL FUTURES

MEAT/VEGETABLES

PRICE CHANGES

Price in tonnes unless otherwise stated.

* Nominal.

INDICES

FINANCIAL TIMES

REUTERS

DOW JONES

MOODY'S

COTTON

LIVERPOOL COTTON—...

Egg farms must wait for action

By Our Commodities Staff

EGG FARMERS face several more weeks' delay before plans for a hen slaughtering scheme, aimed at reducing the egg glut, are ready for presentation to the Ministry of Agriculture.

The Eggs Authority Producers' Advisory Committee was expected to prepare a scheme yesterday for approval by the Ministry of Agriculture and the EEC Commission.

But Mr. Denis Cummings, chief executive of the Eggs Authority, said it had discussed only the first outline plan. Another meeting would be held "in a few weeks."

Egg hatchings appeared to be falling recently and in that respect the tide might be said to have turned, Mr. Cummings said.

However, the backwash from the heavy over-stocking with chicks earlier in the year still had to be controlled and the industry still sought some concerted measures to reduce egg supplies and push prices up.

In the first six months of the year, chick placings were 4 per cent higher than 12 months earlier. In July they increased 7 per cent. August, however, saw a fall of 6 per cent and Mr. Cummings said he expected this decline to continue in September.

U.S. Markets

Copper and sugar rally, coffee down

NEW YORK, Sept 28.

PRECIOUS METALS closed lower on speculative profit-taking prior to President Carter's Press conference to be held late today. Copper and sugar rallied on trade arbitrage buying and renewed speculative buying, while cocoa closed virtually unchanged in mixed trade and Commission House activity. Coffee closed slightly lower on Commission House selling, Bache reports.

Cocoa—Dec 167.00 (166.85), March 166.70 (166.45), May 165.30, July 163.70, Sept. 161.70, Dec 158.20. Sales: 1,328.

Coffee—"C" Contract: Dec. 148.00-148.49 (149.15), March 137.50-137.75 (135.84), May 131.25, July 129.75-130.00, Sept. 129.28 bid, Dec 125.75 bid. Sales: 1,160.

Copper—Oct. 66.40 (65.90), Nov. 66.90 (66.35), Dec 67.30, Jan 68.00, March 69.00, May 70.00, July 70.95, Sept. 71.90, Dec. 73.10, Jan. 73.50, March 74.25, May 75.00, July 75.75. Sales: 7,700

Cotton—No. 2: Oct 63.35-63.55 (63.20), Dec 65.65-65.70 (65.46), March 67.95-68.00, May 68.20, July 69.50, Oct. 66.20-66.25, Dec. 66.25-66.25, March 66.75-67.00. Sales: 5,250.

*Gold—Oct. 218.10 (219.00), Nov. 219.50 (220.50), Dec. 221.40, Feb. 225.00, April 228.60, June 232.20, Aug. 235.90, Oct. 239.60, Dec 243.40, Feb 247.30, April 251.30, June 255.30. Sales: 22,000.

†Lard—Chicago loose 24.75 (—). NY prime steam 26.25 traded (26.00 traded).

Markets unsettled further by growing labour militancy

30-Share index down 4.8 more at 501.2—Gilt-edged better

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sep. 18	Sep. 28	Sep. 29	Oct. 10
Oct. 2	Oct. 12	Oct. 13	Oct. 24
Oct. 16	Oct. 26	Oct. 27	Nov. 7

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The threat of a strike by keg workers at BOC International if their pay demands are not met, which came on a market already undermined by labour troubles, set the seal for another dull and nervous day's trading in stock markets.

Leading Industrials opened slightly easier, but a few buyers showed interest at the lower levels and a better tone developed. The prospects of further industrial unrest, however, quickly brought a turnround in sentiment, while the warning by Mr. Ray Buckton, general secretary of ASLEF, of trouble ahead if the Government sticks to its pay guidelines also had an adverse impact. Unaltered at 11 am, the FT 30-share index fell away to record a loss of 6 points at noon before recovering to close at 501.2 for a fall of 4.8 on balance. As on the previous day, the reaction owed more to lack of support than to any weight of selling. The small technical recovery during the afternoon was helped by the announcement of half-yearly results from Dunlop which were in line with most expectations.

Selling of secondary issues became more widespread as reflected in the near 9-1 majority of falls over rises in FT-quoted Industrials and a loss of 1.1 per cent to 228.66 in the FT-Actuaries All-Share index.

Despite a continuing lowe level of activity, British Funds took on a better appearance yesterday. Bear covering was mainly responsible for a useful recovery movement at the short-end of the market where closing gains ranged to ½ and sometimes more. Little of interest occurred in the longer maturities, but prices tended a fraction harder in sympathy with the shorts. The Government Securities index closed a shade better at 70.02.

After a heavy institutional two-way business between 87 and 89 per cent, the investment currency premium drifted lower as business petered out. The close was 86½ per cent, down 2 points on the overnight close. Yesterday's S.E. conversion factor was 0.7050 (0.6950).

Over a third of hte 622 deals completed in Traded Options was transacted in two stocks, Marks and Spencer, 118, and ICI, 110.

C. T. Bowring please

A firm market of late following last week-end's revelation that the group is planning to merge its insurance interests with Marsh and MacLennan Companies, of the U.S., C. T. Bowring rose 6 further to a 1978 peak of 123p in response to the sharp increase in interim earnings. Elsewhere in Insurances, Legal and General lost 8 more to 146p following comment on the disappointing first-half results, while Hambro Life declined 7 to 373p, after 370p, in front of today's interim figures. Prudential also came on offer at 140p, down 6.

The major clearing banks took a modest turn for the better in thin trading, with gains ranging to 3 as in NatWest at 258p. Union remained friendless in Discounts at 300p, down 8. UDT, at 43p, failed to recover an early fall of 2 despite late news that the company has agreed to sell its German interests.

Interim profits substantially below market estimates left George Wimpey 9 down at 87p. Other Contracting and Construction issues were lower in sympathy with Taylor Woodrow dipping 20 to 428p. Richard Costain 12 to 244p and Fairclough 4 to 69p. Disappointing interim results left Aberdeen Construction 8 cheaper at 98p. Elsewhere, a little more selling than of late left Blue Circle 4 easier at 275p. Tunnel B 6 down at 502p and BPB 5 lower at 245p. Despite profits broadly in line with expectations, RMC eased a penny at 141p. Pending bid developments, Bambergers gained 3 to 86p and, following the annual results, Galliford Brindley firmed a penny to 66p. Renewed speculative buying interest left Brown and Jackson 4 up at 228p, after 230p.

After a small turnover, ICI closed 2 down at 390p. Still reflecting the interim statement, Fisons shed 6 more to 346p but, awaiting today's mid-term report Anchor Chemical firmed 3 to 76p.

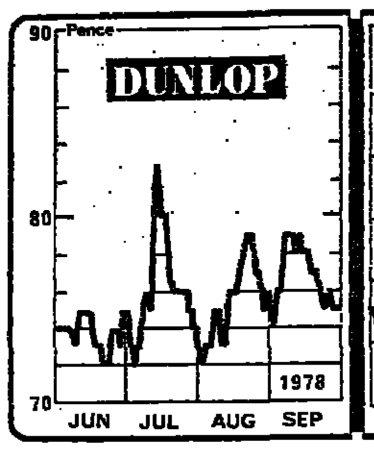
Combined English closed a penny better at 120p, after a 1978 peak of 121p, following the better-than-expected interim profits. Leading Stores drifted lower on small selling and lack of interest. Reflecting the profits standstill, Amber Day declined 4 to 42p, after 41p, while Owen Owen finished a penny lower at 111p, after 107p, despite the first-half year profits recovery. Currently in receipt of a 150p per share cash offer from Pentos, Midland Educational fell 10 to 187p, while Currys, 135p, and Ratners, 84, gave up 4 apiece and Wallis cheapened 5 to 60p.

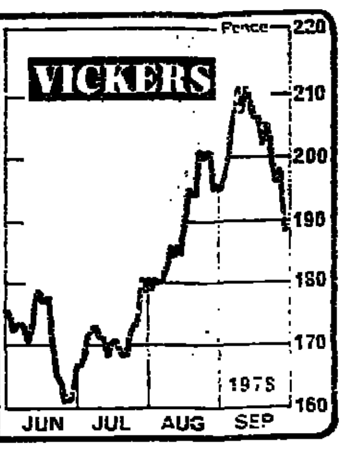
Electricals contributed their share of dull spots. Electrocomponents fell 15 to 505p, while Farnell Electronics, 390p, and Racal Electronics, 318p, lost 8 apiece. BSR eased 4 to 95p. EMI, a dull market of late on the chairman's profits warning, sher 2 to 144p for a loss of 17 so far this week. Of the isolated firm spots, Clifford and Snell hardened 3 to 33p and Louis Newmark moved up 10 further to 280p.

Following the interim statement, Vickers ended 6 down at 188p in dull Engineerings. John Brown lost a similar amount to 442p and GKN declined 5 to 274p: the latter has announced that it is to close a large part of its industrial fastener division largely because of competition from the Far East. Elsewhere, APV, 238p, and Hunt and Moscrop, 26p, cheapened 7 and 3½ respectively following trading news, while James Neill softened a penny to 103p in front of today's interim figures. Haden Carrier dipped 9 to 118p and Spirax Sarco 6 to 168p. Charles Clifford, on the other hand, rose 6 to 126p, after 128p, on revived bid speculation.

Foods made a drab showing with widespread falls. Rowntree Mackintosh stood out at 397p, down 13, while Northern Foods, 104p, and J. Sainsbury, 225p, lost 4 and 5 respectively. Bejam eased 2 to 59p on small selling in front of next week's preliminary figures, while biscuit manufacturers had Associated 2 cheaper at 79p and United 3 lower at 84p. In Supermarkets, Kwik Save finished 3 down at 89p following news of the purchase of the Cee N Cee concern for £3.75m cash. William Low slipped 4 to 100p, but William Morrison closed without alteration at 90p following the half-yearly report.

Adda International, interim expected soon, receded 2½ to 48½p following news of the Osterley Motel acquisition. Other dull spots in Hotels and Catering included Trust Houses Forte, 4 off at 237p, and Ladbroke, 5 cheaper at 179p.





BOC lower

The threat of strike action by workers at BOC is a substantial wage claim is not met served to depress the miscellaneous Industrial leaders even further. More stock subsequently came on offer and closing falls ranged to 8. BOC gave up 3 to 72p, while Metal Box shed 8 to 350p as did Pilkington, to 307p. Beecham eased 6 to 717p and Unilever closed the same amount off at 564p. Glaxo, however, again displayed resilience and closed 3 dearer at 630p on further buying interest ahead of interim results due on October 9. Secondary issues generally gave ground but Huntleigh were a notable exception at 174p, up 14, following speculative buying in a thin market. Whatman Reeve Angel fell 25 to 265p in reaction to the lower interim profits, while recent investment favourite ICL gave up 8 at 426p. Vinten declined 9 to 138p and Marshalls Universal receded 6 to 144p.

In a relatively active trade, Campari issues met profit-taking on doubts about the income-boosting scheme that accompanied the annual results, the ordinary gave up 10 at 120p, after 115p, and the B 13 at 116p, after 114p. In Televisions, disappointing annual results left HTV N-V 6 down at 128p.

Still reflecting the critical labour situation in the industry, Motors and Distributors sustained fresh losses. Lucas Industries rallied late to close only 2 easier on balance at 310p, after 306p, while falls of around 4 were recorded in Associated Engineering, 111½p, and ERF, 105p. Dunlop finished unchanged at 75p, after 74p, following interim figures in line with market expectations, while Brown Bros. edged forward ½ to 27p on the preliminary figures. Garages lost more ground with Ford dealers particularly depressed. Frank G. Gates were 1½ easier at 47p despite hte first-half profits increase, while falls of 4 were seen in Tate of Leeds, 68p, and T. C. Harrison, 110p. Harold Perry were also on offer at 110p, down 5.

Scattered offerings left News International 6 cheaper at 247p and Associated Newspapers 4 off at 182p. Following the interim statement, Associated Book Publishers shed 8 to 245p. In Paper/Printings, J. and J. Makin at 107p made no response to the higher annual profits, and Woodrow Wyatt, 15p, were unmoved by the reduced loss.

Leading Properties recovered small falls to close virtually unchanged on balance, but secondary issues sustained losses to 6. Haslemere were that much cheaper at 244p, while Bradford, 252p, Chesterfield, 350p, and Churchbury Estates, 325p, all shed 5. Property and Reversionary "A" and Trafford Park Estates eased similarly t o320p and 125p respectively, as did Apex, to 255p.

Leading Oils quiet

Slightly easier at the outset, leading oils rallied to close at, or close, to overnight levels. British Petroleum ended unchanged at 894p, after 890p, while Shell eased a couple of pence to 566p, after 564p. Siebens UK generated considerable speculative activity and traded between 320p and 340p before settling unchanged on balance at 334p.

Higher earnings failed to enthuse Sime Darby which finished 7 cheaper at 105p in Overseas Traders.

Small public selling in the absence of institutional interest left Investment Trusts with a lengthy list of dull spots which included Rothschild Investment, down 9 at 209p. In Financials, R. P. Martin ended a penny harder at 45p, after 42p, despite the reduced divisend and earnings.

Awaiting fresh developments in the bid situation, Dawson International slipped 3 to 192p despite an improvement of 4 to 182p in bidders William Baird. John Haggas, recently involved in bid talks with Dawson, shed 5 to 141p.

Golds easier

South African Golds lost ground for the third successive day despite the $2 rise in the bullion price to $217.375 per ounce which was more than offset by the lower investment premium and securities rand.

Activity in Golds remained at a low level throughout the day, with prices marked up at the opening reflecting the overnight firmness of bullion in New York, but then easing back owning to lack of interest.

The Gold Mines index fell 3.2 more to 170.1 for a three-day decline of 9.9. Heavyweights showed losses ranging to ¾, as in Randfontein, £36¼, and Vaal Reefs, £13¼, while among the lower-priced stocks Kinross dropped 24 to 345p and Welkom 8 to 219p.

Trading in South Africans was also subdued. Anglo American Corporation and De Beers were both around 2 cheaper at 342p and 412p respectively. Transvaal Consolidated Land slipped ½ to £13¼. Afrikander Lease gave up 10 to 370p: in the annual report published today the chairman says that a decision to develop the uranium mine cannot be taken until financing discussions with the South African Government are completed and that these would take several months.

London-registered Financials drifted in line with UK equities. Rio Tinto-Zinc were persistently sold and fell to 240p before closing a net 4 lower at 242p.

Charter Consolidated and Gold Fields fell a similar amount to 130p and 180p respectively, while Selection Trust declined 14 to 474p.

Tins staged a modest recovery following far eastern buying. Southern Kinta were particularly firm and finally 15 to the good at 215p. Ayer Hitam, 330p and Tronoh, 230p both improved around 5 following their dividend declarations.

Australian diamond exploration issues again attracted a lively two-way trade. Otter Exploration and Sparges both edged up 3 to 51p and 32p respectively, but Northern Mining encountered profit-taking and eased 4 to 133p. Uraniums were dull. Pancontinental giving up ¾ to £10¾.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
Shell Transport	25p	15	566	−2	602	484
European Ferries	25p	11	130	−4	143	99
BP	£1	10	894	—	926	720
ICI	£1	10	390	−2	421	328
RTZ	25p	10	242	−4	258	164
GUS "A"	25p	9	222	—	340	256
Marks & Spencer	25p	9	82	−1	94	67½
P & O Defd.	£1	9	94	+1	118	83½
BATs Defd.	25p	8	264	−3	304	227
BOC Intl.	25p	8	72	−3	79	63
Barclays Bank	£1	8	332	−2	368	296
Distillers	50p	8	197	−3	215	163
Trafalgar House	20p	8	121	−3	167	117
GEC	25p	7	323	+1	338	233
Unilever	25p	7	564	−6	602	476

FINANCIAL TIMES STOCK INDICES

	Sept. 28	Sept. 27	Sept. 26	Sept. 25	[illegible]
Government Secs.	70.02	69.97	70.15	70.24	[illegible]
Fixed Interest	71.90	71.85	72.04	72.16	[illegible]
Industrial	501.2	506.0	514.2	509.4	[illegible]
Gold Mines	170.1	173.3	177.9	180.0	[illegible]
Ord. Div. Yield	5.35	5.31	5.24	5.27	[illegible]
Earnings Y'ld % (full)	15.16	15.04	14.86	14.95	[illegible]
P/E Ratio (net)	8.74	8.80	8.91	8.89	[illegible]
Dealings marked	5,162	5,491	5,159	4,988	[illegible]
Equity turnover £m.	—	89.24	85.02	82.91	[illegible]
Equity bargains total	—	16,335	17,570	17,224	[illegible]

10 am 503.2. 11 am 506.0. Noon 505.8. 1 pm [illegible]. 2 pm 505.1. 3 pm 503.6.

Latest Index 01-246 8026.

* Based on 52 per cent corporation tax. † Nil = [illegible].

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. [illegible] Mines 12/9/55. SE Activity July-Dec 1942.

HIGHS AND LOWS

	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58	68.79	127.4	49.18
Fixed Int.	81.27	70.73	150.4	50.53
Ind. Ord.	535.5	433.4	549.2	49.4
Gold Mines	206.8	130.3	442.3	43.5

S.E. ACTIVITY

[illegible]

LONDON TRADED OPTIONS

Option	Exercise price	October Closing offer	October Vol.	January Closing offer	January Vol.	April Closing offer	April Vol.
BP	850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BP	900	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BP	950	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com Union	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com Union	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons Gold	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons Gold	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs.	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs.	220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs.	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals			[illegible]		[illegible]		[illegible]
		November		February		May	
BOC Intl.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Gp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RTZ	260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RTZ	280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals			[illegible]		[illegible]		[illegible]

FOOD PRICE MOVEMENTS

	September 28 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton	1,115	1,115	1,115
British A.1 per ton	1,085	1,085	1,085
Irish Special per ton	990	990	1,085
Ulster A.1 per ton§	1,030	1,030	1,085
BUTTER			
NZ per 20 kg	12.59-12.72	12.59-12.72	12.59-12.72
English per cwt†	75.59-77.61	75.59	75.59
Danish salted per cwt†	78.98-81.87	78.98-81.72	76.98-79.52
CHEESE§			
NZ per tonne	1,161.50	1,161.50	1,161.50
English cheddar trade per tonne	1,275	1,275	1,275
EGGS*			
Home-produce:			
Size 4	3.00-3.30	3.00-3.40	—
Size 2	3.70-4.10	3.65-4.20	—
	September 28 p	**Week ago p**	**Month ago p**
BEEF			
Scottish killed sides ex-KKCF	53.0-57.0	54.0-58.0	53.0-58.0
Eire forequarters	36.0-38.0	35.0-38.0	36.0-38.0
LAMB			
English	52.0-58.0	54.0-58.0	54.0-58.0
NZ PLs PMs	36.5-38.0	—	50.0-54.0
PORK (all weights)	37.0-46.0	37.0-46.0	36.0-44.0
POULTRY—Broiler chickens	36.0-39.0	36.0-39.0	37.0-39.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ Unavailable. § For delivery September 30-October 7.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sep. 26	Oct. 9	Dec. 28	Jan. 9
Oct. 10	Oct. 23	Jan. 11	Jan. 23
Oct. 24	Nov. 6	Jan. 25	Feb. 6

For rate indications see end of Share Information Service

Money was given for the call in Cullen's Stores, English Property, UDT, Westland, Spillers, Premier Consolidated Oil, Burmah Oil, William Press, Mills and Allen, Status Discount, Talbex, Hong Kong and Shanghai Banking, Duple International and Dunlop. A put was done in EMI, while doubles were arranged in Blackman and Conrad, First National Finance 9½ per cent, MFI, British Land and Westland. A short-dated call was transacted in Bejam and a double was arranged in EMI.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978

NEW HIGHS (17)

BUILDINGS (1)
Lafarge S.A.

STORES (2)
Comb. Eng Stores S & U Stores

ELECTRICALS (1)
Newmark (Louis)

ENGINEERING (3)
Clifford (C.) Stothert
Norton (W. E.)

HOTELS (1)
Wheeler's

INDUSTRIALS (5)
Berwick Timpo Russell (A.)
Denbyware Utd Guarantee
Huntleigh

INSURANCE (1)
Bowring (C. T.)

PAPER (1)
East Lancs. Paper

TEXTILES (1)
Tern-Consulate

TRUSTS (1)
Int. Inv. Tst. Jersey

NEW LOWS (9)

AMERICANS (1)
Gen. Elect.

BEERS (1)
Amal. Dist. Prods.

BUILDINGS (1)
Aberdeen Constrctn

ENGINEERING (2)
Brmid Qualcast Braithwaite

INDUSTRIALS (1)
Swedish Match

MOTORS (1)
Peak Invs.

TRUSTS (2)
Man Metrop. Inv. Martin (R. P.)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	15	31	30
Corpns., Dom. and Foreign Bonds	5	10	47
Industrials	73	792	667
Financial and Prop.	26	298	199
Oils	3	14	19
Plantation	1	5	25
Mines	17	74	48
Recent Issues	1	15	22
Totals	141	1,239	1,048

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P.E. Ratio
56	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	85	[illegible]	[illegible]	[illegible]	4.4	7.4
115	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.1	14.0
99	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.0	11.1

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., Sept. 28, 1978 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net) Corp. Tax 52%	Wed. Sept. 27 Index No.	Tues. Sept. 26 Index No.	Mon. Sept. 25 Index No.	Fri. Sept. 22 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (171)	243.75	−1.5	15.91	5.11	8.64	247.49	249.03	247.50	252.60	[illegible]
2	Building Materials (27)	211.73	−1.7	16.63	5.32	8.29	215.40	216.13	215.71	219.92	[illegible]
3	Contracting, Construction (28)	390.15	−4.5	18.33	4.00	7.96	408.54	409.99	408.94	415.22	[illegible]
4	Electricals (14)	554.86	−0.2	13.06	3.34	10.58	555.73	562.83	552.41	566.14	[illegible]
5	Engineering Contractors (14)	372.53	−1.5	17.83	5.84	7.60	378.04	374.70	374.02	380.62	[illegible]
6	Mechanical Engineering (72)	193.13	−1.4	17.10	5.65	7.81	195.96	197.31	196.67	200.62	[illegible]
8	Metals and Metal Forming (16)	172.92	−1.8	15.51	8.23	8.93	176.09	176.74	177.44	179.52	[illegible]
11	CONSUMER GOODS (DURABLE) (53)	213.28	−1.2	16.27	4.96	8.55	215.86	217.37	215.67	219.75	[illegible]
12	Lt. Electronics, Radio, TV (16)	261.50	−1.3	14.16	3.89	9.87	264.86	265.99	262.91	268.99	[illegible]
13	Household Goods (12)	184.12	−0.4	16.18	6.15	8.51	184.89	183.84	185.51	188.36	[illegible]
14	Motors and Distributors (25)	127.71	−1.3	19.77	6.46	7.02	129.34	131.21	130.48	132.17	[illegible]
21	CONSUMER GOODS (NON-DURABLE) (172)	213.82	−1.2	15.56	5.74	8.67	216.44	218.38	217.39	220.11	[illegible]
22	Breweries (14)	226.08	−1.2	14.84	6.28	9.27	228.72	231.88	229.99	231.88	[illegible]
23	Wines and Spirits (6)	277.32	−1.4	15.35	5.18	9.72	281.38	286.48	284.22	288.90	[illegible]
24	Entertainment, Catering (17)	263.31	−1.5	15.42	6.60	9.47	267.41	271.46	271.66	276.89	[illegible]
25	Food Manufacturing (19)	211.50	−1.4	18.30	5.10	7.24	214.48	213.33	213.70	216.65	[illegible]
26	Food Retailing (15)	226.13	−2.1	13.48	4.55	10.27	230.87	229.34	229.39	232.94	[illegible]
32	Newspapers, Publishing (12)	388.90	−1.2	20.07	6.20	7.03	393.65	396.12	397.39	404.25	[illegible]
33	Packaging and Paper (15)	144.74	−1.2	17.93	7.38	7.35	146.57	147.05	147.32	149.96	[illegible]
34	Stores (40)	201.43	−1.1	10.86	4.51	13.46	203.60	206.85	205.04	207.37	[illegible]
35	Textiles (25)	183.85	−0.9	17.93	7.58	7.25	185.47	185.35	183.48	185.96	[illegible]
36	Tobaccos (3)	243.30	−0.6	22.63	7.71	5.23	244.89	248.95	247.46	250.14	[illegible]
37	Toys and Games (6)	116.83	−1.6	19.40	5.46	6.03	118.76	119.82	120.41	121.78	[illegible]
41	OTHER GROUPS (99)	210.85	−1.1	14.77	5.70	8.72	213.21	213.87	213.17	215.97	[illegible]
42	Chemicals (19)	294.81	−0.9	15.54	6.41	8.37	297.51	298.93	297.51	300.82	[illegible]
43	Pharmaceutical Products (7)	282.04	−0.6	10.18	3.64	12.09	283.85	282.56	282.15	285.78	[illegible]
44	Office Equipment (6)	136.54	−1.1	17.79	5.57	6.70	138.11	138.49	140.15	143.63	[illegible]
45	Shipping (10)	427.76	−0.8	14.53	7.13	8.79	431.43	438.33	431.07	436.03	[illegible]
46	Miscellaneous (57)	223.73	−1.7	16.46	6.09	8.07	227.51	228.42	227.64	230.65	[illegible]
49	INDUSTRIAL GROUP (495)	227.62	−1.3	15.50	5.51	8.67	230.52	232.06	230.93	234.44	[illegible]
51	Oils (5)	504.15	−0.2	13.86	3.99	7.83	505.10	508.53	506.42	511.89	[illegible]
59	500 SHARE INDEX	250.84	−1.1	15.26	5.29	8.53	253.64	255.34	254.12	257.82	[illegible]
61	FINANCIAL GROUP (100)	164.62	−0.8	—	5.91	—	165.88	168.62	168.45	171.47	[illegible]
62	Banks (6)	182.92	+0.6	25.56	6.41	5.87	181.88	186.02	186.22	190.22	[illegible]
63	Discount Houses (10)	203.27	−0.5	—	8.51	—	204.35	208.37	210.43	217.58	[illegible]
64	Hire Purchase (5)	153.83	−2.1	15.84	5.36	8.33	157.11	158.14	156.97	160.44	[illegible]
65	Insurance (Life) (10)	131.66	−3.7	—	7.10	—	136.68	138.76	138.18	141.24	[illegible]
66	Insurance (Composite) (7)	122.83	−1.1	—	7.14	—	124.18	126.61	126.38	128.72	[illegible]
67	Insurance Brokers (10)	345.31	+0.8	13.68	4.63	10.45	342.73	345.42	345.45	348.37	[illegible]
68	Merchant Banks (14)	82.68	−1.2	—	5.88	—	83.67	84.32	84.62	85.00	[illegible]
69	Property (31)	256.39	−1.0	3.39	2.96	50.49	259.02	262.47	261.82	265.66	[illegible]
70	Miscellaneous (7)	108.68	−1.0	23.23	7.69	5.57	109.73	110.34	110.25	112.35	[illegible]
71	Investment Trusts (50)	227.16	−1.2	3.07	4.56	32.61	229.86	229.03	229.04	232.68	[illegible]
81	Mining Finance (4)	107.44	−2.1	16.42	6.63	7.41	109.69	108.14	106.83	107.92	[illegible]
91	Overseas Traders (19)	319.98	−2.2	15.32	7.19	8.18	327.28	326.79	325.99	329.47	[illegible]
99	ALL-SHARE INDEX (673)	228.66	−1.1	—	5.42	—	231.20	232.85	231.92	235.36	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Thurs., Sept. 28	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	104.54	+0.19	—	7.06
2	5-15 years	114.67	+0.09	—	7.61
3	Over 15 years	119.98	+0.08	—	10.23
4	Irredeemables	127.21	—	—	9.02
5	All stocks	112.46	+0.12	—	8.36

FIXED INTEREST YIELDS

	Br. Govt. Av. Gross Red.		Thurs., Sept. 28	Wed., Sept. 27	Year ago (approx.)
1	Low Coupons	5 years	9.02	9.05	[illegible]
2		15 years	10.95	10.95	[illegible]
3		25 years	11.83	11.82	[illegible]
4	Medium Coupons	5 years	11.94	12.01	[illegible]
5		15 years	12.21	12.19	[illegible]
6		25 years	12.21	12.19	[illegible]
7	High Coupons	5 years	11.92	11.99	[illegible]
8		15 years	12.75	12.76	[illegible]
9		25 years	12.91	12.92	[illegible]
10	Irredeemables		11.67	11.67	[illegible]

		Thurs., Sept. 28 Index No.	Yield %	Wed. Sept. 27	Tues. Sept. 26	Mon. Sept. 25	Friday Sept. 22	Thurs. Sept. 21	Wed. Sept. 20	Tues. Sept. 19
15	20-yr. Red. Deb & Loans (15)	57.70	12.87	57.56	57.57	57.54	57.57	57.54	57.54	57.58
16	Investment Trust Prefs. (15)	51.57	13.66	51.71	51.71	51.71	51.96	51.96	51.67	51.67
17	Coml. and Indl. Prefs. (20)	71.58	12.80	71.46	71.45	71.34	71.89	71.38	71.57	71.21

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4. 01-623 1050
Minster Sept 19 .. 39.9 41.9 | 5.03
Exempt August 31 .. 100.7 104.7 .... 5.33

MLA Unit Trust Mgemnt. Ltd.
Old Queen Street, SW1H 9JG. 01-930 7333
MLA Units .. 48.1 50.6 .... 3.56

Murray Johnstone U.T. Mgmt.♥ (a)
163 Hope Street, Glasgow, G2 2UH 041-221 5521
MJ European .. 82.7 88.1 -0.3 2.46
Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15, Copthall Ave., EC2R 7BU. 01-606 4803
Mutual Sec. Plus .. 52.2 55.9 -0.4 6.25
Mutual Inc. Tst. .. 72.6 77.8 -0.5 6.95
Mutual Blue Chip .. 44.3 48.0 -0.3 6.58
Mutual High Yld. .. 62.8 67.4 -0.6 8.07

National and Commercial
31, St. Andrew Square, Edinburgh 031-556 9151
Income Sept. 20 .. 168.6 175.8 .... 5.38
(Accum. Units) .. 230.8 239.4 .... 5.38
Capt. Sept. 20 .. 136.0 141.0 .... 3.79
(Accum. Units) .. 166.4 172.6 .... 3.79

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH 01-623 4200
N.P.I. Gth. Un. Tst. .. 49.4 52.6 .... 4.30
(Accum. Units)* .. 60.3 64.2 .... 4.30
NPI O'seas Trust .. 133.7 141.5 .... 2.25
(Accum. Units)** .. 143.6 152.0 .... 2.25
**Prices on Sept. 28. Next dealing Oct. 26.
*Prices on Sept. 6. Next dealing Sept. 20.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060.
Capital (Accum.) .. 67.5 72.6 -1.2 4.20
Extra Inc. .. 65.7 74.9 -1.2 7.54
Financial .. 34.6 37.2 -0.7 5.62
Growth Inv. .. 88.8 95.4 -1.9 5.45
Income .. 37.2 39.9 -0.7 6.43
Portfolio Inv. Fd. .. 72.0 76.9 -1.2 5.40
Universal Fd. (d) .. 59.1 63.5 -1.2 2.20

NEL Trust Managers Ltd.♥ (a)(g)
Milton Court, Dorking, Surrey. 5011
Nelstar .. 64.8 67.3 -1.1 4.30
Nelstar High Inc. .. 49.9 52.5 -1.4 7.37

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG. 0603 22200
Group Tst. Fd. .. 370.6 390.1 -6.4 5.04

Pearl Trust Managers Ltd. (a)(g)(z)
252 High Holborn, WC1V 7EB 01-405 8441
Pearl Growth Fd. .. 24.8 26.7 -0.5 4.53
Accum Units .. 29.6 31.7 -0.6 4.53
Pearl Inc. .. 34.2 36.8 -0.5 6.92
Pearl Unit Tst. .. 37.0 39.8 -0.8 4.84
(Accum. Units) .. 47.8 51.5 -1.0 4.84

Pelican Units Admin. Ltd. (g)(x)
81 Fountain St., Manchester 061-236 5685
Pelican Units .. 90.6 97.4 -0.5 4.78

Perpetual Unit Trust Mngmt.♥ (a)
48 Hart St., Henley on Thames 04912 6868
P'petual Gp. Gth. .. 45.2 48.5 .... 3.33

Piccadilly Unit Trust (a)(b)
Antony Gibbs Unit Trust Managers Ltd.
3, Frederick's Place, Old Jewry, EC2R 8HD. 01-588 4111
Extra Income .. 30.3 33.0 -0.2 9.70
Small Co's Fd. .. 43.0 46.8 -0.4 4.80
Capital Fund .. 46.6 50.7 -0.1 4.30
Int. Ems. & Assets .. 47.9 52.1 -0.2 4.50
Private Fund .. 36.8 40.1 -0.5 4.20
Accumltr. Fund .. 67.8 73.8 -0.9 3.30
Technology Fund .. 65.3 71.0 -0.6 3.40
Far East Fd. .. 30.2 32.6 .... 0.90
American Fund .. 24.6 26.8 -0.1 1.70

Practical Invest. Co. Ltd.♥ (y)(c)
44 Bloomsbury Sq. WC1A 2RA 01-623 8893
Practical Sept. 27 .. 161.2 171.2 .... 4.01
Accum Units .. 232.5 246.9 .... 4.01

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, E.C.2. 01-247 6533
Prolific Units .. 90.4 96.0 -1.5 3.04
High Income .. 124.5 133.4 -1.8 6.94

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH 01-405 9222
Prudential .. 133.5 141.5 -2.5 4.27

Quilter Management Co. Ltd.♥
The Stk. Exchange, EC2N 1HP. 01-600 4177
Quadrant Gen. Fd. .. 113.1 117.9 .... 4.82
Quadrant Income .. 134.5 138.7 .... 7.61

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271
Opportunity Fd. .. 73.3 78.4 .... 4.91
Sekforde T. (Acc.) .. 46.4 49.6 -0.7 5.19
Sekforde T. Inc. .. 45.3 48.4 -0.6 5.19

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061 236 8521
Ridgefield Int. UT .. 103.0 110.0 .... 2.58
Ridgefield Income .. 98.0 105.0 .... 8.95

Rothschild Asset Management (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941
N.C. Equity Fund .. 176.2 187.4 -2.9 3.22
N.C. Engy. Res. Tst. .. 116.3 123.7 -2.1 2.43
N.C. Income Fund .. 154.5 164.3 -2.5 6.88
N.C. Intl. Fd. (Inc.) .. 89.0 94.6 -1.8 1.55
N.C. Intl. Fd. (Acc.) .. 90.1 95.8 -1.9 1.55
N.C. Smllr. Coys Fd. .. 159.2 169.4 -2.5 4.66

Rothschild & Lowndes Mgmt. (a)
St. Swithins Lane, Ldn., EC4. 01-626 4356
New Ct. Exempt .. £133.0 141.0 .... 3.45
Prices on September 15. Next dealing October 16.

Rowan Unit Trust Mngt. Ltd.♥ (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066
American Sept. 27 .. 70.5 73.5 -1.0 1.12
Securities Sept. 26 .. 180.5 190.5 .... 3.92
High Yld. Sept. 22 .. 58.9 61.9 .... 7.17
(Accum. Units) .. 83.1 87.3 .... 7.17
Merlin Sept. 27 .. 85.4 89.7 .... 3.36
(Accum. Units) .. 105.4 110.7 .... 3.36

Royal Tst. Can. Fd. Mgrs. Ltd.
54, Jermyn Street, S.W.1. 01-629 8252
Capital Fd. .. 74.3 78.4 .... 3.32
Income Fd. .. 74.2 78.3 .... 7.20
Prices at Sept. 15. Next dealing Sept. 29.

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351

Save & Prosper Securities Ltd.♥
International Funds
Capital .. 38.0 40.8 -0.4 2.57
I.T.U. .. 27.4 29.4 -0.2 3.63
Univ. Growth .. 71.8 77.2 -0.4 2.14
Increasing Income Fund
High-Yield .. 56.4 60.6 -1.0 6.97
High Income Funds
High Return .. 69.2 74.4 -0.8 7.89
Income .. 43.1 46.3 -0.5 8.95
U.K. Funds
UK Equity .. 44.9 48.2 -0.9 4.94
Overseas Funds(z)
Europe .. 93.9 100.9 +1.3 3.17
Japan .. 107.3 115.3 -0.4 0.32
U.S. .. 74.6 80.2 -0.9 1.30
Sector Funds
Commodity .. 79.9 85.9 -0.4 3.72
Energy .. 71.6 76.9 -1.2 1.73
Financial Secs. .. 72.9 78.3 -1.2 3.13
High-Minimum Funds
Select Internat. .. 264.2 280.8 -2.9 2.09
Select Income .. 56.3 59.4 -0.8 7.01

Save & Prosper continued
Scotbits Securities Ltd.♥
Scotbits .. 38.5 41.3 -0.7 3.98
Scotyield .. 54.0 58.0 -0.9 6.97
Scotshares .. 50.9 54.6 -0.6 4.46
Scot. Ex. Gth.*♦ .. 264.0 276.5 .... 2.13
Scot. Ex. Yld.*♦ .. 181.1 189.7 .... 7.04
*Prices at Sept. 27. Next sub. day Oct. 11.

Schlesinger Trust Mngrs. Ltd. (a)(z)
140, South Street, Dorking. (0306) 86441
Am. Exempt .. 23.1 24.5 -0.3 2.99
Am. Growth .. 28.6 31.1 -0.4 2.02
Exempt High Yld. .. 28.1 29.6 -0.2 7.32
Exempt Mkt. Ldrs. .. 27.1 28.5 -0.6 4.05
Extra Inc. Tst. .. 31.0 33.3 -0.1 8.91
Income Dist. .. 40.4 43.4 -0.3 9.60
Inc. 10% Wdrwl. .. 30.6 32.9 -0.2 9.60
Intnl. Growth .. 51.2 55.1 -0.4 2.98
Inv. Tst. Units .. 27.8 29.9 -0.3 4.02
Market Leaders .. 30.8 33.1 -0.7 4.20
"Nil Yield" .. 29.1 31.3 -0.2 —
Pref. & Gilt Trust .. 22.4 24.1 -0.1 12.39
Property Shares .. 28.6 30.7 -0.5 2.98
Special Sit. Tst. .. 31.8 34.2 -0.6 2.16
U.K. Grth. Accum. .. 23.1 24.8 -0.6 4.87
U.K. Grth. Dist. .. 20.4 21.9 -0.5 4.87

J. Henry Schroder Wagg & Co. Ltd.♥
120, Cheapside, E.C.2. 01-240 3434
Capital Sept. 26 .. 110.5 114.5 .... 2.29
(Accum.) .. 133.6 138.4 .... 2.29
Income Sept. 26 .. 201.8 209.1 .... 6.81
(Accum. Units) .. 299.8 310.6 .... 6.81
General Sept. 27 .. 90.8 94.5 .... 3.53
(Accum. Units) .. 113.3 118.0 .... 3.53
Europe Sept. 21 .. 33.3 35.4 .... 2.32
(Accum. Units) .. 36.8 39.1 .... 2.32
*PndChaFdSept26 .. 180.6 186.1 .... 4.12
*SpecEx. Sept. 12 .. 287.0 295.8 .... 3.44
*Recovery Sept. 12 .. 215.2 221.8 .... 3.89
*For tax exempt funds only

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq., Edinburgh 031-556 9101
Income Units .. 50.8 56.1 .... 5.00
Accum. Units .. 57.9 64.0 .... 5.00
Dealing day Wednesday.

Sebag Unit Tst. Managers Ltd.♥ (a)
PO Box 511, Bcklbry. Hse., E.C.4 01-236 5000
Sebag Capital Fd. .. 35.3 36.9 -0.6 3.54
Sebag Income Fd. .. 32.3 33.8 -0.4 8.05

Security Selection Ltd.
15-19, Lincoln's Inn Fields, WC2. 01-831 6936-9
Unvl. Gth. Tst. Acc. .. 24.9 26.5 -0.7 2.23
Unvl. Gth. Tst. Inc. .. 21.7 23.1 -0.6 2.23

Stewart Unit Tst. Managers Ltd. (a)
45, Charlotte Sq., Edinburgh. 031-226 3271

Target Tst. Mgrs. (Scotland) (a)(b)
19, Athol Crescent, Edin. 3. 031-229 8621/2
Target Amer. Eagle .. 27.7 29.8 -0.4 1.73
Target Thistle .. 42.9 46.1 +0.1 5.32
Extra Income Fd. .. 60.3 64.8 -0.2 9.93

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011
TUUT Sept. 1 .. 51.7 55.1 .... 5.32

Transatlantic and Gen. Secs. Co.♥
91-99 New London Rd. Chelmsford 0245 51651
Barbican Sept. 28 .. 79.0 83.9 -2.7 5.31
(Accum. Units) .. 122.5 130.1 -4.3 5.31
Barb. Exmt. Sept. 27 .. 90.5 93.6 .... 3.99
Buckm. Sept. 28 .. 84.4 88.5 -2.5 4.35
(Accum. Units) .. 104.5 109.6 -3.0 4.35
Colemo Sept. 22 .. 135.9 143.1 .... 5.16
(Accum. Units) .. 167.7 176.6 .... 5.16
Cumbld. Sept. 27 .. 55.2 58.6 .... 7.10
(Accum. Units) .. 60.4 64.2 .... 7.10
Glen. Sept. 26 .. 57.7 61.3 .... 4.18
(Accum. Units) .. 74.2 78.7 .... 4.18
Marlboro Sept. 28 .. 53.9 56.6 .... 2.72
(Accum. Units) .. 62.0 65.1 .... 2.72
Van. Gwth. Sept. 26 .. 52.2 55.0 .... 3.32
(Accum. Units) .. 64.9 68.4 .... 3.32
Van. Hy. Sept. 26 .. 75.2 79.2 .... 7.78
Vang. T'tee Sept. 27 .. 46.1 48.6 .... 6.02
(Accum. Units) .. 48.2 50.8 .... 6.02
Wick'r Sept. 28 .. 63.3 67.0 -2.3 4.70
(Accum. Units) .. 76.0 80.4 -2.8 4.70
Wick Di. Sept. 22 .. 72.3 77.0 .... 7.70
Do. Accum. .. 82.8 88.3 .... 7.70

Tyndall Managers Ltd.♥
18, Canynge Road, Bristol. 0272 32241
Income Sept. 27 .. 104.8 110.2 .... 7.93
(Accum. Units) .. 193.8 203.6 .... 7.93
Capital Sept. 27 .. 135.2 142.0 .... 4.09
(Accum. Units) .. 190.4 200.0 .... 4.09
Exempt Sept. 27 .. 115.0 120.8 .... 7.67
(Accum. Units) .. 163.2 171.4 .... 7.67
Int. Earn. Sept. 27 .. 255.4 268.2 .... 4.91
(Accum. Units) .. 290.0 304.6 .... 4.91
Pref. Sept. 27 .. 104.4 110.8 .... 12.25
(Accum. Units) .. 129.2 137.0 .... 12.25
26, Castle St., Edinburgh. 031 225 1168
Scot. Inc. Sept. 27 .. 171.2 179.8 .... 8.68
Scot. Cap. Sept. 27 .. 148.2 155.8 .... 5.18
(Accum. Units) .. 176.4 185.4 .... 5.18

London Wall Group 0272 32241
Capital Growth .. 84.9 90.8 -1.1 5.71
Do. Accum. .. 88.8 95.0 -1.0 5.71
Extra Inc. Growth .. 41.2 44.3 -0.4 9.01
Do. Accum. .. 47.9 51.5 -0.6 9.01
Financial Pr'rty .. 16.5 17.6 -0.2 4.82
Do. Accum. .. 20.4 21.8 -0.2 4.82

INSURANCE AND PROPERTY BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4 01-248 9111
Equity Fund .. 38.8 40.9 .... —
Equity Acc. .. 33.5 35.3 .... —
Property Fd. .. 150.9 158.9 .... —
Property Acc. .. 157.1 165.4 .... —

Crusader Insurance Co. Ltd.
Vincula House, Tower Pl., EC3. 01-626 8031
Gth. Prop. Sept. 5 .. 72.6 82.3 .... —

Eagle Star Insur/Midland Assur.

OFFSHORE AND OVERSEAS FUNDS

CORAL INDEX: Close 499-504

INSURANCE BASE RATES

Property Growth .. 10¼%
Vanbrugh Guaranteed .. 9.37%
†Address shown under Insurance and Property Bond Table.

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24	17	Antofagasta Rly.	24	......	—	—
41	33	Do 5pc Pref	41	......	—	—
98	98	Chilean Mixed	98	......	—	£3.10
415	350	German Ynt 4½pc.	411	......	4½	—
54	46	Greek 7pc Ass.	52	......	3½	£6.90
51	46	Do 6pc 28 Stab. Ass.	50	......	6	£6.04
44	40	Do 4pc Mixed Ass.	42	......	4	£5.05

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